Annual Report

Financial Year 2020-21

Ather Energy Private Limited

Registered Office Address: 3rd Floor, Tower D, IBC Knowledge Park, # 4/1, Bannerghatta Main Road, Bengaluru 560 029, Karnataka, India.

Corporate Identification Number (CIN): U40100KA2013PTC093769

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CORPORATE INFORMATION

Corporate Identification Number	: U40100KA2013PTC093769
Board of Directors	
Mr. Tarun Sanjay Mehta	: Director
Mr. Swapnil Babanlal Jain	: Director
Mr. Niranjan Kumar Gupta	: Director
Ms. Reeta Nathwani	: Additional Director
Chief Financial Officer	: Mr. Deepak Jain
Company Secretary	: Mr. Raj Kiran B S
Registered Office Address	: 3rd Floor, Tower D, IBC Knowledge Park, # 4/1, Bannerghatta Main Road, Bengaluru 560 029, Karnataka, India.
Statutory Auditor	: R.G.N. Price & Co, Chartered Accountants (Firm Registration Number - 002785S)
Email ID	: CS@atherenergy.com
Website	: www.atherenergy.com

To
The Members of
Ather Energy Private Limited

Your Directors have pleasure in presenting the 8th Annual Report of the Company together with the audited financial statements for the financial year ended 31st March 2021.

Financial Highlights:

INR Million

Particulars	Financial year ended 31st March 2021	Financial year ended 31st March 2020
Revenue	798	353
Other Income	65	135
Total Income	**863**	**488**
Operating Expenditure	2564	2200
Depreciation and amortization expenses	351	247
Total Expenses	**2915**	**2447**
Profit before finance costs and tax	-2052	-1959
Finance costs	280	240
Profit before tax (PBT)	**-2332**	**-2199**
Tax	-	-
Profit / (-Loss) for the year	**-2332**	**-2199**

Dividend:

In view of the losses for the financial year, no dividend is recommended as per the provisions of the Companies Act, 2013 ('the Act') and the Rules framed thereunder.

Transfer to Reserves:

Due to losses in FY 2020-21, no amount has been transferred to Reserves.

State of Company's Affairs:

During the year, your Company sold 1958 units of 'Ather 450' electric scooter and 3565 units of the newly launched 'Ather 450X' electric scooter, totalling to 5523 electric scooters.

Hosur Plant Manufacturing Facility

The Company commenced its operations from its newly set up manufacturing facility in Hosur, Tamil Nadu, on January 2, 2021. With a capacity to produce up to 1,10,000 scooters annually, the facility will serve as the Company's national manufacturing hub catering to demand from across the country. Apart from EV manufacturing, the facility also focuses on lithium-ion battery manufacturing and has the capacity to produce up to 1,20,000 battery packs annually.

Business Expansion (Combined with Dealer model and EC)

Your Company operates in markets through an omnichannel retail model focussed on delivering exceptionally high levels of customer experience which builds brand loyalty, strong word of mouth and thereby a continuously growing demand. After successfully operating company owned experience centres and service centres in Bangalore and Chennai over the previous two years, your Company has developed a playbook of systems and processes that can be deployed to profitably operate in any city. With this playbook, the Company launched a retail partnership model and onboarded partners to start operations for Ather in selected cities. The model caters to Tier I and Tier II cities, and requires partners to set up Experience Centre, service centre and warehouse of the requisite size (based on the Tier of the city) to execute business operations. The new experience centres were commenced in 5 cities - Pune, Mumbai, Hyderabad, Ahmedabad, Kochi, and Jaipur. Additionally, sales also began in Coimbatore, Hubli and Delhi.

With introduction of this new business model, the Company plans to increase its footprint across India by starting operation with retail partners in new cities over the upcoming year.

Ather grid

The Company has set up 129 public fast-charging points - Ather Grid across 18 cities in India. The fast-charging network can be used by all electric two-wheelers and electric four-wheelers and this facility is being offered free of charge to everyone till the end of September 2021.

The charging network is supported by the Ather Grid app which allows all EV owners to locate and check the availability of the nearest charging stations in real-time. The Company in its accelerated expansion phase targets to set-up about 6 points before delivery across the 27 markets that Ather will be present in by Q3 of 2021-22.

Marketing

To ensure that the customer demand keeps pace with the business scale-up aspirations, the brand required a high reach media plan, a differentiated message and wide-scale education about EVs.

To maximise reach, a combination of traditional media (TV & Print) & digital media was used. This allowed the company's advertisement to reach about 50 million people amongst relevant target audiences in the planned business cities. The brand message, based on the theme of 'Break\Through', was unique and different from that of any other competitor. The company also tied up with 120+ national and regional influencers in the field of automobiles & technology. These influencers, with a combined reach of 3.5 million, created and published written & video content that helped improve education and consideration for the company's products.

As a result, the Company was able to increase the number of monthly enquiries from an average less than 4000 before Q3 of FY21 to an average of 30,000 in Q4 of FY21. Similarly, the number of test rides completed went up from a monthly average of less than 600 before Q3 of FY21 to 6000 in Q4 of FY21.

Outlook

Your Company had to face the brunt of COVID-19 pandemic which had shaken the entire world in late March 2020. The entire operations of the Company had to be shut down in view of mandatory lockdown and the Government orders. For your Company, employees' safety and health was the top priority, and all the employees were advised to stay safe, take all necessary precautions, and follow the Government guidelines. Whilst the manufacturing operations were completely shut down, the Company and its employees showed tremendous courage and agility to be able to adapt to an entirely new way of working – Working from Home. Whilst it was a first of its kind face off for most of the employees, their adaptability and responsiveness to the new way of working had enabled us to stay focused on our priorities, projects, and deliverables.

The pandemic also led your Company and its leadership to introspect on what lies ahead and what could be the potential opportunities in the 'new normal'. The Company recalibrated its business plans and strategy for handling the ongoing impact of COVID-19, which is likely to continue for some time to come and creating new business opportunities. Your Company believes that while all demand came to a grinding halt during the 3 months of the lockdown in 2020, recovery for the two-wheeler sector and specifically for the electric segment is expected to be faster as more and more people would likely prefer to avoid public transport and instead use two-wheeler for commuting to work. More and more people are keen to go electric in the current climate due to the twin advantages of no emissions and a considerably reduced operating cost. Accordingly, your Company geared itself up to meet the surge in demand with a fast city expansion and a new plant.

The new wave of COVID-19 has hit the country in April 2021 and again shattered all of us across the country. This has led to renewed lockdowns in many States including Karnataka and Tamil Nadu where your Company has its corporate office and manufacturing facility, respectively. Your Company has, in the interest of health and safety of its employees, taken initiative for free inoculation of its employees and their family members against COVID-19.

The Company is well equipped to deal with the challenges posed by the new wave of COVID-19 and is looking forward to a good 2021-22, subject, of course, to the longevity of the extant and imminent waves of COVID-19, and resumption and normalisation of the supply chain ecosystem.

The outlook for the EV industry has become stronger and bullish over the last few quarters. The tailwinds of increasing consumer demand, maturing supply chain, and continued policy support across central and state governments have provided a strong impetus to the industry. The recent entry and announcements by some of the bigger incumbents as well as newer players is a good indication of the growing momentum.

With a dramatic change in our product costing and an improved per unit price that we have been able to achieve in sales in tandem with a supply chain, manufacturing and infrastructure build-up achieved through the year - we are at a precipice of exponential growth. Early signs of the same are visible with the last 5 months of the financial year clocking 35% MOM growth with increasing depth even among existing markets.

Government Policies

The Central Government has introduced several policies like FAME II & the phased manufacturing plan for EVs in the past. Other policies like PLIs linked to Battery manufacturing show the continued support for EV mobility. Several State Governments are offering additional subsidies for end consumers and have also introduced policies that have focussed on creating attractive incentives for OEMs to set up manufacturing plants. These initiatives have acted as a catalyst to the development of the sector and will address the apprehensions of the manufacturers, sellers, and customers. All these factors - policies, quality and availability of vehicles - will increase the adoption of EVs and the government will continue to offer them a boost by implementing policies that offer fiscal and non-fiscal incentives.

New states to release EV related policies this year included Delhi NCR, Meghalaya, Telangana, Tamil Nadu, Kerala, among many more.

Awards and recognitions

During the year under review, your Company received many awards and was recognised by different agencies:

1. *“Best Electric Two-Wheeler of the Year* - Ather 450X” by Motor Octane and Top Gear India.

2. *“Electric Scooter of the Year - Ather 450X”* by Motor Vikatan and FLYWHEEL Auto.

3. *“Green Two-Wheeler of the Year”* by Autocar.

4. E-Mobility+: EV Manufacturing and Design Show India

    - *“EV Solution Provider of the Year: Telematics - Warp*
    - *Most Innovative EV of the Year - Ather 450X*
    - *EV Solution Provider of the Year: Battery Management System*
    - *EV Start-Up of the Year”*

5. Car and Bike Awards
    - *“Scooter of the year: Ather 450X*
    - *Viewer's Choice Award for Best Scooter: Ather 450X*
    - *Electric Two-wheeler of the year: Ather 450X*
    - *Two-wheeler of the year (Runner Up)*
    - *PR and Communications (Runner Up)”*

6. iNFHRA:

    - *“Excellence in Best Project – Corporate”*
    - *“Excellence in Logistics Movement”*

Changes in Share Capital

During the year under review, the Company raised further capital by issuance of the following Series of Compulsorily Convertible Preference Shares (CCPS):

- On 28th July 2021, the Company allotted 20,688 (Twenty Thousand Six Hundred and Eighty-Eight) Series C1 CCPS of INR 10/- each (Nominal value INR 2,06,880) at a premium of INR 40,592 per Series C1 CCPS aggregating to INR 83,99,74,176 on a private placement basis, to Hero MotoCorp Limited.

- On 7th November 2021, the Company allotted 88,040 Series D CCPS of INR 10/- each (Nominal value INR 8,80,400) at a premium of INR 29,522 per Series D CCPS aggregating to INR 259,91,16,880 on a private placement basis to the following allottees:

  Hero MotoCorp Limited – 30,475 Series D CCPS
  Sachin Bansal – 57,565 Series D CCPS

The Company has not issued any equity shares with differential rights, sweat equity shares or bonus shares.

Changes in Directors and Key Managerial Personnel

Cessation

- Mr. Rajat Bhargava resigned from the office of Director of the Company with effect from 15th October 2020. The Board noted the same at its Meeting held on 3rd November 2020 and placed on record its appreciation of valuable contribution and guidance during his tenure as Director.

- Mr. Harish B N resigned as Company Secretary of the Company with effect from 15th October 2020. The Board noted the same at its Meeting held on 3rd November 2020.

Appointments

- Mr. Niranjan Kumar Gupta was appointed as Additional Director (w.e.f 3rd November 2020) by the Board at its meeting dated 3rd November 2020 and as Director of the Company at the Extra-ordinary General Meeting held on 4th November 2020.

- Ms. Reeta Nathwani was appointed as Additional Director (w.e.f 23rd November 2020) by the Board at its meeting dated 23rd November 2020.

- Mr. Raj Kiran B S was appointed as Company Secretary with effect from 19th October 2020.

Key Managerial Personnel

Mr. Deepak Jain, Chief Financial Officer and Mr. Raj Kiran B S, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Meetings of Board of Directors

During the year, ten (10) meetings of the Board of Directors of the Company were held. The meetings were held on 4th May 2020, 20th July 2020, 28th July 2020, 6th August 2020, 2nd November 2020, 7th November 2020, 23rd November 2020, 25th January 2021, 4th March 2021 and 31st March 2021. The interval between any two consecutive Board Meetings did not exceed 120 days. The attendance of the directors at the board meetings are mentioned below:

Sl. No.	Name of the Director	DIN	No. of Meetings attended	Date of appointment	Date of cessation
1	Tarun Sanjay Mehta	06392463	8	21-10-2013	--
2	Swapnil Babanlal Jain	06682759	10	21-10-2013	--
3	Rajat Bhargava	07752438	2	02-05-2017	15-10-2020
4	Niranjan Kumar Gupta	07806792	5	03-11-2020	--
5	Reeta Nathwani	08959036	3	23-11-2020	--

Corporate Governance

Your Company believes in high standards of ethical, moral and legal business conduct and good governance practices. It is supplemented with a whistle blower policy, a mechanism to report any concern pertaining to non-adherence to the ways of working.

Further, the requirement of a vigil mechanism under Section 177(10) of the Companies Act, 2013 is not applicable to the Company. Nevertheless, the existing mechanisms in the organisation provide for a framework whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization, or any other unfair practices.

Disclosure on Employee Stock Option Scheme (ESOP)

The Company had established Ather Energy Employee Stock Option Plan 2020 (‘ESOP 2020’ or ‘the Scheme’) to be administered by the committee comprising of CEO, CFO & CHRO.

For the year under review, the disclosures required under the Companies (Share Capital and Debentures) Rules 2014 are as under:

Particulars	Details
Options granted	884
Options Vested	2395
Options Exercised	NA
Total number of shares arising as a result of exercise of option	NA
Options lapsed	1205

Exercise price	INR 1/-
Variation of terms of options	NA
Money realized by exercise of options	NA
Employee wise details of options granted to	
- key managerial personnel	15
- any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	NA
- identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NA

Independent Directors Declaration

The disclosure requirement under 134(3)(d) of the Companies Act, 2013 is not applicable and hence no declaration has been provided thereunder.

Subsidiary, Joint Venture and Associate Company

The Company is an associate of Hero MotoCorp Limited. The Company does not have any subsidiary(s), joint ventures or associate companies. Hence, a separate section on the performance and financial position of each of the subsidiaries, associates and joint venture companies in Form AOC-1 under the provisions of Section 129(3) of the Companies Act, 2013 is not applicable to the Company.

Particulars of contracts or arrangements with related parties

Information on transactions with related parties pursuant to Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed herewith as "Annexure – I" to this Report. Your Directors draw the attention of members to Note 31 to the financial statements which sets out related party disclosures. All the Related Party Transactions entered by the Company were in ordinary course of business and on arm's length basis.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013.

The Company has Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees including contract labour, consultants, service providers etc. associated with the Company are covered in this policy. During the year under review, the Company complied with all provisions of the said Act. Following is the summary of complaints received and disposed off during the year under review:

Number of complaints received: 1
Number of complaints disposed of: 1

Number of complaints withdrawn: Nil
Number of complaints pending: Nil

Public Deposits

The Company has neither accepted nor renewed any public deposits during the year under review.

Particulars of Employees

Information required pursuant to Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is not applicable to the Company and hence no report is furnished hereunder.

Directors' Responsibility Statement

In accordance with the provisions of section 134(5) the Board confirms and submits the Directors' Responsibility Statement as follows:

a) In the preparation of the annual accounts and the applicable accounting standards has been followed along with proper explanation relating to material departures;

b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The directors have prepared the annual accounts on a going concern basis; and

e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Remuneration Ratio of the Directors/ Key Managerial Personnel (KMP)/ Employees

Disclosure pertaining to details of the ratio of remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable. Under Section 197(14) of Companies Act 2013, it is hereby informed that none of the directors are in receipt of commission from the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

The details of conservation of energy, technology absorption, and foreign exchange earnings and outgo are enclosed to this report vide "Annexure-II.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern Status of the Company.

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

Internal Financial Controls and Internal Audit

The Company has, in place, adequate internal financial controls with reference to financial statements. During the year, controls were tested and no reportable material weakness was observed. The Board is satisfied with the internal finance control process. Internal control environment of the Company is reliable with well documented framework to mitigate risks. Further, the Company is presently not required to appoint Internal Auditor in terms of section 138 of the Companies Act, 2013.

Material Changes Affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company occurred since the end of the financial year till the date of this report.

Compliance with Secretarial Standards

The Company is compliant with the provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Risk Management Policy

The Company is in the process of developing and implementing a formal risk management policy which identifies major risks which may threaten the existence of the Company. However, the Board and senior management teams across the organisation continuously review from time to time and adopt risk mitigation process and measures.

Loan from Directors

The Company has not obtained any loan from any of the directors of the Company.

Industrial Relations

The Industrial relations in respect of all facilities and divisions of the Company are normal. The Company ensures relationship with the workers at cordial levels and is committed to provide necessary support for the welfare of its employees.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a significant and foremost attitude of responsibility towards society. Our path is through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nature and its inhabitants.

While the Company does not meet the criteria set out for constitution of CSR Committee and contributions based on the statutory norms required under section 135 of the Companies Act, 2013 yet, the Company has always been committed to building a sustainable ecosystem and is in the process of putting in place a composed CSR works.

Change in the Nature of Business, if Any.

There has been no change in the nature of business of the Company during the year.

Audit Remarks / Observations:

Pursuant to requirements of Section 134(3)(f) of the Companies Act, 2013, there are no qualification, reservation or adverse remark made by the Statutory Auditors of the Company in their report.

Statutory Auditors:

At the last Annual General Meeting, R.G.N. Price & Co, Chartered Accountants (Firm Registration Number - 002785S) were appointed as Statutory Auditors for a period of five years. R.G.N. Price & Co, Chartered Accountants, had carried out statutory audit of the Company for the Financial Year 2020-21.

M/s. R.G.N. Price & Co, Chartered Accountants (Firm Registration Number - 002785S) have decided to resign as Statutory Auditors of the Company and chose not to continue from the conclusion of forthcoming Annual General meeting of the Company.

The Board at its Meeting held on 10th June 2021 noted the resignation by R.G.N. Price & Co, Chartered Accountants and placed on record its appreciation for their work as Statutory Auditors of the Company. The Board also considered and recommended the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm Registration 008072S) as Statutory Auditors of the Company for a period of 5 (five) consecutive years to fill up casual vacancy caused due to resignation of R.G.N. Price & Co, Chartered Accountants, subject to approval of the members at the ensuing Annual General Meeting.

Extract of Annual Return

As required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in Form MGT- 9 is annexed as “Annexure-I” to this Report.

Cautionary Statement

Shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions, as on the date of the report, on the material impacts on the Company's operations, but it is not exhaustive as they contain forward looking statements which are extremely dynamic and increasingly fraught with risk and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein.

Acknowledgement

The Board of Directors expresses its sincere thanks to the various Government/Regulatory authorities, Company's valued customers, suppliers, vendors and bankers for their continued co-operation, trust and support. Further, the Board conveys its thanks to the Company's Promoters, Shareholders and other stakeholders for their continued support. The Board also expresses its gratitude and deep sense of appreciation to all the employees, for their professional commitment and dedication in furthering Company's objectives.

For and on behalf of the Board of Directors of
Ather Energy Private Limited

Sd/-	Sd/-
Tarun Mehta	**Swapnil B Jain**
Director	Director
DIN: 06392463	DIN: 06682759

Place: Bengaluru
Date: June 10, 2021

ANNEXURE-I

Form No.AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   The Company has not entered into any contracts or arrangements or transactions with its related parties which is not at arm's length basis during the financial year 2020-21.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   Your Directors draw attention of the members to Note number 30 to the financial statements which sets out related party disclosures.

For and on behalf of the Board of Directors of
Ather Energy Private Limited

Sd/-	Sd/-
Tarun Mehta	**Swapnil B Jain**
Director	Director
DIN: 06392463	DIN: 06682759

Place: Bengaluru
Date: June 10, 2021

ANNEXURE-II

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

(A) Conservation of Energy

i.	Energy conservation measures taken	Regenerative battery cyclers, utilisation of daylight at factory to reduce artificial lighting.
ii.	Steps taken by the company for utilizing alternate sources of energy	Installation of solar panels at Hosur factory is under evaluation.
iii.	The capital investment on energy conservation equipment.	Nil

(B) Technology Absorption, Adaption and Innovation.

i.	the efforts made towards technology absorption	
ii.	The benefits derived like product improvement, cost reduction, product development or import substitution.	Launched Ather 450X electric scooter as India's quickest scooter with 50% reduction in COGS.
iii.	in case of imported technology (imported during the last three years reckoned from the beginning of the FY) - Technology imported - Year of import. - Has technology been fully absorbed? - If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action	Nil.
iv.	the expenditure incurred on Research & development	Nil.

(C) Foreign exchange earnings and outgo

Amount in INR

Particulars	FY2020-21	FY2019-20
Foreign Exchange inflows	4,29,873	1,93,29,901
Foreign Exchange outgo	35,13,60,281	64,11,33,154

ANNEXURE-III

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2021.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014].

I. Registration and other details

(i)	CIN	U40100KA2013PTC093769
(ii)	Registration Date	21 October 2013
(iii)	Name of the Company	Ather Energy Private Limited
(iv)	Category / Sub-Category of the Company	Private Company Limited by Shares / Indian Non-Government
(v)	Address of the registered office and contact details	#4/1, 3rd Floor, Tower D, IBC Knowledge Park, Bannerghatta Main Road - 560029 rajkiran.bs@atherenergy.com Ph: +91 80- 66465757
(vi)	Whether listed company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. Principal business activities of the company (All the business activities contributing 10 % or more of the total turnover of the company shall be stated).

Sl. No	Name and Description of main product / services	NIC (2008) Code of the Product / Services	% to total turnover of the Company
1.	Automobile - Manufacturing of electric scooter	2910	100%

III. Particulars of Holding, Subsidiary and Associate Companies (Including Joint Ventures)

Sl. No.	Name and Address of the Company	CIN / GNL	Percentage of shares held
	Nil		

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	--	89600	89600	81.95%	--	89600	89600	81.95%	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A)(1)	--	89600	89600	81.95%	--	89600	89600	81.95%	--
(2) Foreign									
1.NRIs-Individuals	--	--	--	--	--	--	--	--	--
2.Other Individuals	--	--	--	--	--	--	--	--	--
3.Bodies Corp	--	--	--	--	--	--	--	--	--
4.Banks/FI	--	--	--	--	--	--	--	--	--
5.Any other	--	--	--	--	--	--	--	--	--
Sub-Total (A) (2)	--	--	--	--	--	--	--	--	--
Total Shareholding Of promoter's (A)=A(1)+A(2)	--	89600	89600	81.95%	--	89600	89600	81.95%	--
B. Public Shareholding	--	--	--	--	--	--	--	--	--
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) VC Funds	--	--	--	--	--	--	--	--	--
f) Ins Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign VentureCapital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	100	100	0.09	--	100	100	0.09	--
Sub-total (B)(1):-									

2. Non-Institutions									
a) Bodies Corp.	---	---	---	---	---	---	---	---	---
i) Indian		5260	5260	4.82	--	5260	5260	4.82	
ii) Overseas	---	100	100	0.09	--	100	100	0.09	---
b) Individuals	---	---	---	---	---	---	---	---	---
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	---	14175	14175	12.96	--	14175	14175	12.96	---
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	---	100	100	0.09	---	100	100	0.09	---
c) Others (specify)									
Non Resident Indians	---	---	---	---	---	---	---	---	---
Overseas Corporate Bodies	---	---	---	---	---	---	---	---	---
Foreign Nationals	---	---	---	---	---	---	---	---	---
Clearing Members	---	---	---	---	---	---	---	---	---
Trusts	---	---	---	---	---	---	---	---	---
Foreign Bodies - D R	---	---	---	---	---	---	---	---	---
Sub-total (B)(2):-	---	19635	19635	17.96	---	19635	19635	17.96	---
Total Public Shareholding (B)=(B)(1)+ (B)(2)	---	19735	19735	18.04	---	19735	19735	18.04	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	--	109335	109335	100	---	109335	109335	100	---

ii) Shareholding of Promoters (Including Promoter Group)

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares ofthe company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares ofthe company	%of Shares Pledged / encumbered to total shares	
1	Tarun Mehta Sanjay	44800	40.98	22.67	44800	40.98	55.28	--
2	Swapnil B Jain	44800	40.98	22.67	44800	40.98	55.28	--

iii) Change in the Promoter's Shareholding:

No Change in the Promoter's Shareholding during the financial year 2020-21.

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & holders of ADR/GDR) :

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of totalshares of the Company	No. of shares	% of total shares of the Company
1	Arun Vinayak				
	At the Beginning of the Year	8,420	7.71	8,420	7.71
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	8,420	7.71	8,420	7.71
2	IITM Incubation Cell				
	At the Beginning of the Year	5260	4.82	5260	4.82
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	5260	4.82	5260	4.82
3	V. Srinivasan				
	At the Beginning of the Year	3530	3.23	3530	3.23
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	3530	3.23	3530	3.23
4	Asha Krishnakumar				
	At the Beginning of the Year	1320	1.21	1320	1.21
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	1320	1.21	1320	1.21
5	Achal Kothari				
	At the Beginning of the Year	660	0.60	660	0.60
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	660	0.60	660	0.60

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of totalshares of the Company	No. of shares	% of total shares of the Company
6	R. Mahadevan				
	At the Beginning of the Year	220	0.20	220	0.20
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	220	0.20	220	0.20
7	Internet Fund III Pte. Ltd.				
	At the Beginning of the Year	100	0.09	100	0.09
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	100	0.09	100	0.09
8	Hero MotoCorp Ltd				
	At the Beginning of the Year	100	0.09	100	0.09
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	100	0.09	100	0.09
9	Abhishek Venkataraman				
	At the Beginning of the Year	25	0.02	25	0.02
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	25	0.02	25	0.02
10	Sachin Bansal				
	At the Beginning of the Year	100	0.09	100	0.09
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	100	0.09	100	0.09

Note: Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc).

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of totalshares of the Company	No. of shares	% of total shares of the Company
1	Tarun Sanjay Mehta				
	At the Beginning of the Year	44800	40.98	44800	40.98
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	44800	40.98	44800	40.98
2	Swapnil Babanlal Jain				
	At the Beginning of the Year	44800	40.98	44800	40.98
	Increase during the year	--	--	--	--
	Decrease during the year	--	--	--	--
	At the end of the year	44800	40.98	44800	40.98

V. INDEBTEDNESS-

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Amount in INR Millions

	Secured Loans excluding deposits	Unsecured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the FY				
Principal Amount	1821.70	-	-	1821.70
Interest due but not paid	-	-	-	-
Interest accrued but not due	13.20	-	-	13.20
Total	1834.90	-	-	1834.90
Change in Indebtedness during the FY				
Addition	270	-	-	270
Reduction	369.18	-	-	369.18
Change in short term loans	-	-	-	-
Net Change	99.18	-	-	9.18
Indebtedness at the end of the FY				
Principal Amount	1735.72	-	-	1735.72
Interest due but not paid	-	-	-	-
Interest accrued but not due	13.43	-	-	13.43
Total	1749.15	-	-	1749.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager – Nil

B. Remuneration to other Directors

Sl #	Particulars of Remuneration	Name of Directors	
		Tarun Mehta	Swapnil Jain
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,871,380	2,814,966
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit	--	--
5	Others, please specify (including retirals)	--	--
	Total	**2,871,380**	**2,814,966**

C. Remuneration to Key managerial Personnel

Sl #	Particulars of Remuneration	Name of Key Managerial Personnel	
		Deepak Jain, Chief Financial Officer	Raj Kiran B S, Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,050,796	10,32,197*
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
2	Stock Option	--	15
3	Sweat Equity	--	--
4	Commission - as % of profit	--	--
5	Others, please specify (including retirals)	--	--
	Total	**11,050,796**	**10,32,197***

Note: Appointed as CS w.e.f. 15th Oct 2020.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the breach of any sections of the Act against the Company or its Directors or other officers in default, during the year.

For and on behalf of the Board of Directors of
Ather Energy Private Limited

Sd/-	Sd/-
Tarun Mehta	**Swapnil B Jain**
Director	Director
DIN: 06392463	DIN: 06682759

Place: Bengaluru
Date: June 10, 2021

Independent Auditor's Report
To the Members of Ather Energy Private Limited

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Ather Energy Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Companies (Indian Accounting Standards), Rules 2015 ('Ind AS') prescribed under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take suitable action.

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

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

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

Those board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public Company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in **Annexure A**, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

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

c) the financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "**Annexure B**", Our report expresses unmodified opinion on adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

    i. the Company has disclosed the impact of pending litigations on its financial statements as at 31 March 2021;
    ii. the Company has made provision, as required under applicable law or accounting standards, for foreseeable losses, if any, on long-term contracts including derivative contracts
    iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;

For **RGN Price & Co**
Chartered Accountants
Firm's Registration No.: 002785S

Sd/-
Aditya Kumar S.
Partner
Membership No.: 232444
UDIN: 21232444AAAAAT9451

Place: Bengaluru
Date: 23 April 2021

Annexure A to the Independent Auditor's Report of even date to the members of Ather Energy Private Limited, on the financial statements for the year ended 31 March 2021.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment are physically verified by the management according to the phased programme designed to cover all the items over a period of 3 years which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, portion of property, plant and equipment has been physically verified by the management during the year and has no material discrepancies noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company has physically verified inventories at periodic intervals commensurate to the size and nature of business. The inventories held by them were physically verified by the management and no material discrepancies noticed in such verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, The Company has not granted any loans and has not provided any guarantee or security to the parties covered under sec 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186 of the Act.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) Maintenance of cost records specified by the central government under Section 148(1) of the Act does not apply to the company for the year ended 31 March 2021 and accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) During the year ended 31st March 2021, the Company is generally regular in remittance of statutory dues viz., provident fund, employee state insurance, tax deducted at source, professional tax, goods and services tax, and other material statutory dues with the appropriate authorities. There are no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and records of the Company examined by us, There are no income-tax or goods and service tax or duties of customs or duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to information and explanations given to us and records of the Company examined by us, The Company has not defaulted in repayment of loans and borrowing to financial institutions and banks. There is no repayment obligations with respect to debentures during the financial year. The Company has not availed any loan or borrowings from government during the year.

(ix) According to information and explanations given to us and based on the records examined by us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. However, the Company has raised funds through issue of compulsorily convertible preference shares during the year and the monies raised have been applied for the purpose for which it was obtained. Further, the Company has received additional term loan on 31 March 2021 which is yet to be utilised for the purpose for which it is borrowed.

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

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public Company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) The Company has entered into transactions with related parties in compliance with provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standard 24, Related Party disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an audit committee under Section 177 of the Act, and accordingly, to this extent, reporting under Clause 3(xiii) of the Order is not applicable.

(xiv) During the year, the Company has made private placement of Compulsorily Convertible Preference Shares during the year. In respect of above, we further report that :

a. The requirement of section 42 of the Act, as applicable have been complied with and
b. The amounts raised have been applied by the Company during the year for the purpose for which funds were raised.

(xv) According to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Hence reporting under clause 3(xv) of the order is not applicable.

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

For **RGN Price & Co**
Chartered Accountants
Firm's Registration No.: 002785S

Sd/-
Aditya Kumar S.
Partner
Membership No.: 232444
Place: Bengaluru
Date: 23 April 2021

Annexure B referred to in Clause (f) of Paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date

We have audited the internal financial controls over financial reporting of **M/s Ather Energy Private Limited** ('the Company') as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, in our opinion the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India.

For **RGN Price & Co**
Chartered Accountants
Firm's Registration No.: 002785S

Sd/-
Aditya Kumar S.
Partner
Membership No.: 232444
Place: Bengaluru
Date: 23 April 2021.

Ather Energy Private Limited
Balance Sheet
CIN: U40100KA2013PTC093769

(Amounts In Rs millions)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2(a)	798	737
Capital Work-in-Progress	2(a)	-	1
Intangible Assets	2(b)	1,827	1,041
Intangible Assets Under Development	2(b)	467	784
Right of use assets	2(c)	444	255
Other Financial Assets	3	515	374
Other Non-current Assets	4	136	74
TOTAL - NON CURRENT ASSETS		**4,187**	**3,266**
CURRENT ASSETS			
Inventories	5	568	177
Financial Assets			
(i) Investments	6	924	661
(ii) Cash and Cash Equivalents	7	54	214
(iii) Others	8	568	142
Other Current Assets	9	1,074	722
Current Tax Assets (Net)	10	0	4
TOTAL - CURRENT ASSETS		**3,187**	**1,919**
TOTAL ASSETS		**7,374**	**5,185**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	11	0	0
Compulsorily Convertible Preference Shares	11	4	3
Other Equity	12	3,759	2,501
TOTAL - EQUITY		**3,763**	**2,504**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities - Borrowings	13	1,483	1,315
Long Term Provisions	14	124	102
TOTAL - NON CURRENT LIABILITIES		**1,607**	**1,417**
CURRENT LIABILITIES			
Financial Liabilities			
(i) Trade Payables	15		
(A) Total outstanding dues of micro enterprises and small enterprises		22	1
(B) Total outstanding dues of creditors other than micro and small enterprises.		240	105
(ii) Other Financial Liabilities	16	1,150	886
Short Term Provisions	17	496	221
Other current liabilities	18	95	51
TOTAL CURRENT LIABIITIES		**2,003**	**1,264**
TOTAL EQUITY AND LIABILITIES		**7,374**	**5,185**
Significant accounting policies followed by the Company	1		
Accompanying notes form an integral part of the financial statements			

In terms of our report of even date
For R.G.N. Price & Co.,
Chartered Accountants
FRN: 002785S

Sd/-
Aditya Kumar S
Partner
Membership No. 232444

Date: 23rd April 2021
Place: Bangalore

For and on behalf of Board of Directors of
Ather Energy Private Limited

Sd/-	**Sd/-**
Tarun Sanjay Mehta	**Swapnil Babanlal Jain**
Director	**Director**
DIN: 6392463	**DIN: 6682759**
Sd/-	**Sd/-**
Deepak Jain	**Raj Kiran BS**
Chief Financial Officer	**Company Secretary**

Date: 23rd April 2021
Place: Bangalore

Ather Energy Private Limited
Statement of Profit and Loss
CIN: U40100KA2013PTC093769

(Amounts In Rs millions)

	Particulars	**Note No.**	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
I	Revenue from operations	19	798	353
II	Other Income	20	66	135
III	**Total Income (I + II)**		**864**	**488**
IV	**EXPENSES**			
	(a) Cost of Material Consumed (including allowance for inventories)	21	994	810
	(b) Changes in inventories of WIP, stock in trade & finished goods	22	(76)	7
	(c) Employee benefit expense	23	653	512
	(d) Finance costs	24	279	240
	(e) Depreciation and amortisation expense	2	351	247
	(f) Other expenses	25	995	871
	Total Expenses (IV)		**3,196**	**2,687**
V	**Profit/(Loss) before tax (III - IV)**		**(2,332)**	**(2,199)**
VI	**Tax Expense**			
	(1) Current tax	35	-	-
	(2) Deferred tax	35	-	-
	Total tax expense		-	-
VII	**Profit/(Loss) after tax (V - VI)**		**(2,332)**	**(2,199)**
VIII	**Other comprehensive income**			
	A (i) Items that will not be recycled to profit or loss			
	Remeasurements of the defined benefit liabilities / (asset)		9	(7)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that may be reclassified to profit or loss		-	-
IX	**Total comprehensive income for the period (VII+VIII)**		**(2,324)**	**(2,206)**
X	**Earnings per equity share: (Rs. per share)**			
	(1) Basic	34	(5,592)	(6,167)
	(2) Diluted		(5,592)	(6,167)

Significant accounting policies followed by the Company 1
Accompanying notes form an integral part of the financial statements

In terms of our report of even date
For R.G.N. Price & Co.,
Chartered Accountants
FRN: 002785S

Sd/-

Aditya Kumar S
Partner
Membership No. 232444

Date: 23rd April 2021
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Ather Energy Private Limited

Sd/-	**Sd/-**
Tarun Sanjay Mehta	**Swapnil Babanlal Jain**
Director	**Director**
DIN: 6392463	**DIN: 6682759**
Sd/-	**Sd/-**
Deepak Jain	**Raj Kiran BS**
Chief Financial Officer	**Company Secretary**

Date: 23rd April 2021
Place: Bangalore

Ather Energy Private Limited
Statement of Cash Flows
CIN: U40100KA2013PTC093769

(Amounts In Rs millions)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flows from operating activities**		
	Profit before tax for the year	(2,332)	(2,199)
	Adjustments for:		
	Fair Valuation of Investments	6	10
	Interest Income	(33)	(28)
	Other Comprehensive Income	9	(7)
	Allowance for doubtful investment	-	147
	Finance costs recognised in profit or loss	238	203
	Gain on redemption of Mutual Funds	(27)	(92)
	Allowances Added Back	(93)	(16)
	Depreciation and amortisation of non-current assets	351	247
	Unrealized Foreign Exchange Gain/Loss	3	(4)
	Allowance for Doubtful Advance	-	9
	Share based payment expense	143	27
		(1,735)	**(1,702)**
	Movements in working capital:		
	(Increase)/decrease in other assets and Loans and Advances	(1,018)	(435)
	(Decrease)/increase in other liabilities and provisions	948	318
	Cash generated from operations	(1,805)	(1,818)
	Income taxes paid	-	-
	Net cash generated by operating activities	(1,805)	(1,818)
B.	**Cash flows from investing activities**		
	Interest received	33	28
	Profit on Redemption of Investments	(236)	62
	Allowance for doubtful investment	-	(147)
	Profit on Fair Valuation of Investments	(6)	(10)
	Payments for property, plant and equipment	(1,130)	(1,161)
	Net cash (used in)/generated by investing activities	(1,340)	(1,229)
C.	**Cash flows from financing activities**		
	Proceeds from issue of CCPS and equity shares	3,439	2,200
	Principal payment of lease liability and Ind As impact	173	168
	Proceeds from borrowings	270	1,300
	Repayment of borrowings	(369)	(339)
	Finance Cost	(238)	(203)
	Net cash generated by financing activities	3,274	3,126
	Net increase in cash and cash equivalents	129	79
	Cash and cash equivalents at the beginning of the year	484	405
	Liquid Mutual funds	-	-
	Cash and cash equivalents at the end of the year	**613**	**484**

Reconciliation of cash and cash equivalents		
Cash and Bank balances	**54**	**213**
Liquid Mutual funds	**559**	**271**
Total	**613**	**484**

Notes

1. The above Cash Flow Statement has been prepared under Ind AS 7 'Cash Flow Statement' under indirect method.
2. Figures in brackets represent cash out flow
3. Net Debt Reconciliation

Particulars	Opening Balance	Received During the Year	Repayment Made During the Year	Closing Balance
As at March 31, 2021				
Axis Bank Ltd	89	270	21	338
HDFC Bank Ltd	63	-	24	39
Hero Fincorp Ltd	1,254	-	151	1,104
Innoven Capital India Private Limited	409	-	173	235
Total	**1,815**	**270**	**369**	**1,716**
As at March 31, 2020				
Axis Bank Ltd	**132**	**-**	**43**	**89**
HDFC Bank Ltd	112	-	49	63
Hero Fincorp Ltd	610	750	106	1,254
Innoven Capital India Private Limited	-	550	141	409
Total	**854**	**1,300**	**339**	**1,815**

Accompanying notes form an integral part of the financial statements

In terms of our report of even date
For R.G.N. Price & Co.,
Chartered Accountants
FRN: 002785S

For and on behalf of Board of Directors of
Ather Energy Private Limited

Sd/-
Aditya Kumar S
Partner
Membership No. 232444

Sd/-
Tarun Sanjay Mehta
Director
DIN: 6392463

Sd/-
Swapnil Jain
Director
DIN: 6682759

Sd/-
Deepak Jain
Chief Financial Officer

Sd/-
Raj Kiran BS
Company Secretary

Date: 23rd April 2021
Place: Bangalore

Date: 23rd April 2021
Place: Bangalore

Ather Energy Private Limited
Notes to the financial statements

Note No. 2 (a)
PROPERTY PLANT AND EQUIPMENT *(Amount in Rs. millions)*

Description of Assets	Lease hold Improvements	Furniture & Fittings	Vehicles	Office Equipments	Plant & Machinery	Capital WIP	Total
I. Gross Carrying Amount							
Balance as at 1 April 2019	139	54	2	77	545	24	**841**
Additions	30	2	0	60	89	1	**182**
Disposals/Transfers		-				(24)	**(24)**
Balance as at 31 March 2020	**169**	**56**	**2**	**137**	**634**	**1**	**999**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2019	15	27	1	34	49	-	**125**
Depreciation expense for the year	13	24	0	33	66	-	**137**
Eliminated on disposal of assets	-	-	-	-	-		**-**
Balance as at 31 March 2020	**28**	**51**	**1**	**67**	**115**	**-**	**262**
III. Net carrying amount as of 31 March 2020 (I-II)	**141**	**5**	**1**	**70**	**519**	**1**	**738**

I. Gross Carrying Amount							
Balance as at 1 April 2020	169	56	2	137	634	1	**999**
Additions/Adjustments	37	7	-	45	175		**264**
Reclass	(86)	86	-	38	(38)		**-**
Disposals/Adjustments	(1)	(0)	-	(1)	(36)		**-**
Balance as at 31 March 2021	**119**	**149**	**2**	**219**	**735**	**1**	**1,226**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2020	28	51	1	67	115	-	**262**
Depreciation expense for the year	17	24	-	21	115	-	**177**
Reclass	(9)	9		16	(16)		**-**
Eliminated on disposal of assets	(1)	(0)		(0)	**(11)**		**(11)**
Balance as at 31 March 2021	**36**	**83**	**1**	**104**	**204**	**-**	**427**
III. Net carrying amount as of 31 March 2021 (I-II)	**84**	**65**	**1**	**116**	**531**	**1**	**798**

Note No. 2 (b)
INTANGIBLE ASSETS

Description of Assets	Other Intangible Assets			Product design & Development	Intangible Assets Under Development	Total
	Website	Software	Patents & Other IP Rights			
I. Gross Carrying Amount						
Balance as at 1 April 2019	16	50	5	848	373	**1,292**
Additions	-	9	5	178	589	**781**
Disposals	-	-	-	-	-	**-**
Others	-	-	-	-	(178)	**(178)**
Balance as at 31 March 2020	**16**	**59**	**10**	**1,026**	**784**	**1,895**
II. Accumulated amortisation and impairment						
Balance as at 1 April 2019	16	32	0	-	-	**48**
Amortisation expense for the year	-	12	2	**9**	-	**23**
Eliminated on disposal of assets	-	-	-	-	-	**-**
Balance as at 31 March 2020	**16**	**43**	**2**	**9**	**-**	**70**
III. Net carrying amount as of 31 March 2020 (I-II)	**0**	**15**	**8**	**1,017**	**784**	**1,825**

I. Gross Carrying Amount						
Balance as at 1 April 2020	16	58	10	1,026	784	**1,894**
Additions		7	1	847	530	**1,385**
Disposals	-	-	-	-	-	**-**
Others	-	-	-	-	(847)	**(847)**
Balance as at 31 March 2021	**16**	**65**	**11**	**1,873**	**467**	**2,432**
II. Accumulated amortisation and impairment						
Balance as at 1 April 2020	16	43	2	9	-	**70**
Amortisation expense for the year	-	9	-	**59**	-	**68**
Eliminated on disposal of assets	-	-	-	-	-	**-**
Balance as at 31 March 2021	**16**	**52**	**2**	**69**	**-**	**138**
III. Net carrying amount as of 31 March 2021 (I-II)	**0**	**13**	**9**	**1,805**	**467**	**2,294**

Note No. 2 (c)

Right to use assets

Particulars	As at 31 March 2021	As at 31 March 2020
Right to use (Net)	430	210
Finance lease liability	472	243
Adjusted against retained earnings as transition adjustment	-	(33)
Deferred rent added to right to use	14	10

The impact of change in accounting policy on account on adoption of Ind AS 116 in previous year is as follows :.

Particulars		31 March 2020
Decrease in Property Plant and equipment by		-
Increase in lease liability by		292
Increase in rights of use by		255
Increase/Decrease in Deferred tax assets by		-
Increase/Decrease in finance cost by		35
Increase/Decrease in depreciation by		89

As Lessee

(A) Additions to right of use assets

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Right-of-use assets (Gross)	340	124

(B) Carrying value of right of use assets at the end of the reporting period by class (Real Estates)

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	255	221
Add: New Lease Contracts Entered during the year	340	124
Less: Depreciation charge for the year	(91)	(89)
Less: Write off	(60)	(1)
Balance at the end of the year	444	255

(C) Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	As at 31 March 2021	As at 31 March 2020
Less than one year	143	119
One to five years	242	206
More than five years	471	49
Total undiscounted lease liabilities	856	374
Lease liabilities	472	292

(D) Amounts recognised in profit or loss

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Interest on lease liabilities	37	35
Depreciation	91	89
Expenses relating to short-term leases	4	5

(E) Amounts recognised in the statement of cash flows

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2020
Total cash outflow for leases disclosed under financing activities	102	168

(F) Other Disclosures

The Company has used practical expedient for not assessing leases under Ind As 116 for lease term less than 12 months

Ather Energy Private Limited
Statement of changes in equity

A. Equity share capital

Particulars	Equity Shares of Re. 1 each		Equity Shares of Rs. 37 each	
	No. of Shares	Amount	No. of Shares	Amount
As at 31 March 2019	1,05,705	0.1	3,530	0.1
Changes in equity share capital during the year	100	0	NIL	NIL
As at 31 March 2020	1,05,805	0.1	3,530	0.1
Changes in equity share capital during the year	-	-	-	-
As at 31 March 2021	1,05,805	0.1	3,530	0.1

B. Other equity

(Amount in Rs. millions)

Particulars	Surplus					Total
	Surplus / (Deficit) in Statement of Profit and Loss	Securities Premium	ESOP Outstanding Account	Other Reserve (Subsidy Received & Others)	Actuarial Gains / Losses	
Opening balance as on 01 April 2019	(1,623)	4,134	0	1	(4)	2,508
Profit / (Loss) for the period	(2,199)	-	-	-	-	(2,199)
Add: CCPS shares issued during the period	-	2,199	-	-	-	2,199
Add: Equity shares issued during the period	-	7	-	-	-	7
ESOPs issued During the year	-	-	27	-	-	27
Other Comprehensive Income / (Loss)	-	-	-	-	(7)	(7)
Transition impact on account of Ind As 116	(34)	-	-	-	-	(34)
As at 31 March 2020	**(3,855)**	**6,340**	**27**	**1**	**(12)**	2,501
Profit / (Loss) for the period	(2,332)	-	-	-	-	(2,332)
Add: CCPS shares issued during the period	-	3,439	-	-	-	3,439
Add: Equity shares issued during the period	-	-	-	-	-	-
ESOPs issued During the year	-	-	143	-	-	143
Other Comprehensive Income / (Loss)	-	-	-	-	9	9
As at 31 March 2021	**(6,188)**	**9,779**	**170**	**1**	**(3)**	**3,759**

Significant accounting policies followed by the Company
Accompanying notes form an integral part of the financial statements

In terms of our report of even date

For R.G.N. Price & Co.,	**For and on behalf of Board of Directors of**			
Chartered Accountants	**Ather Energy Private Limited**			
FRN: 002785S				
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Aditya Kumar S	**Tarun Sanjay Mehta**	**Swapnil Jain**	**Deepak Jain**	**Raj Kiran BS**
Partner	**Director**	**Director**	**Chief Financial Officer**	**Company Secretary**
Membership No. 232444	**DIN: 6392463**	**DIN:6682759**		
Place: Bangalore	Place: Bangalore			
Date: 23rd April 2021	Date: 23rd April 2021			

Note - 3 OTHER FINANCIAL ASSETS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Investments in Equity shares of M/S Autovert Technologies Private Limited* (570 (31 March 2020 : 570) No. of shares of 10 each)		0		0
Security Deposits *(carried at amortised cost) - unsecured* *(Refer Note no - 26)*		77		68
Term deposits* *lien marked against term loans, bank gurantees issued to goverment, letter of credit and corporate credit cards		439		306
TOTAL		**515**		**375**

Note - 4 OTHER NON CURRENT ASSETS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Unsecured Considered Good				
Capital Advances		169		108
Less: Allowance for doubtful advance		(34)		(34)
TOTAL		**135**		**74**

Note - 5 INVENTORIES	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Raw Materials & Components (including in transit)	441		248	
Finished Goods	189	629	83	332
Less: Allowance for inventory write-down		62		155
TOTAL		**568**		**176**

Note - 6 INVESTMENTS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Investments in Mutual Funds (Fair Valued through Profit and Loss) (Refer note 26)		924		661
Investments in Commercial Paper of IL&FS Financial Services Limited[a]		196		196
Less: Allowance for dimunition in value of investments[a]		(196)		(196)
TOTAL		**924**		**661**

The Company has invested in Commercial Paper (CP) of IL&FS Financial Services Limited (ILFS) with a maturity date of October 22, 2018. ILFS has defaulted on the payment on such maturity date. Management has created provision for doubtful investment for 100% of the cost of investments on its evaluation of recoverability. The interest income on the CP has not been recognised in the Statement of Profit and Loss in the current year as well as previous year.

	As at 31 March 2021		As At 31 March 2020	
Particulars of Mutual Funds	**Cost**	**Amount in Rs**	**Cost**	**Amount in Rs**
Lien Marked				
ICICI Pru Liquid Direct-Growth	86	87	82	81
IDFC Cash Regular-Growth	83	89	85	83
Axis Liquid Fund Growth	162	184	206	226
Non- Lien Marked				
ICICI Pru Liquid -Growth	130	130	-	-
ICICI Pru Money Market Direct-Growth	0	0	5	5
Nippon India Money Market Direct-Growth	0	0	-	-
Kotak Liquid Reg-Growth	1	1	-	-
Aditya Birla Sl Liquid Direct-Growth	1	1	-	-
Aditya Birla Sl Liquid-Growth	140	140	-	-
Axis Treasury Advantage-Growth	200	203	-	-
DSPBR Liquidity Reg-Growth	9	9	-	-
DSP Low Duration-Growth	75	76	-	-
HDFC Liquid Direct - Growth	-	-	251	251
Reliance Money Market Direct-Growth	-	-	3	3
ICICI Pru Liquid Direct-Growth	-	-	0	5
IDFC Cash Regular-Growth	3	4	3	7
Total	**889**	**924**	**635**	**661**

Note - 7 CASH AND CASH EQUIVALENTS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Balances with banks in current accounts		53		213
Cash in hand		0		0
TOTAL		**54**		**214**

Note - 8 OTHER FINANCIAL ASSETS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Interest receivable		10		25
Other receivables		57		14
Term deposits		500		103
TOTAL		**568**		**142**

Note - 9 OTHER CURRENT ASSETS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Unsecured, Considered good				
(a) Balances with Government authorities		837		631
(b) Prepaid expenses		28		20
(c) Advance to vendors	213		72	
Less: Allowance for doubtful advance	(6)	207	(6)	66
(d) Loans & advances to employees		2		5
TOTAL		**1,074**		**722**

Note - 10 CURRENT TAX ASSETS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Tax deduction at source receivable		0		4
TOTAL		**0**		**4**

Note - 11 SHARE CAPITAL	As at Mar 31st 2021			As at Mar 31st 2020	
	No of Shares	Amount (Rs.)	Amount (in Rs. Millions)	No of Shares	Amount (Rs.)
1.1 Authorised Capital					
Equity Shares of Re.1 each.	2,87,158	2,87,158	0.3	2,87,158	2,87,158
Equity shares of Rs. 37 each	3,530	1,30,610	0.1	3,530	1,30,610
Compulsorily Convertible Preference shares of Rs. 37 each	23,490	8,69,130	0.9	23,490	8,69,130
Series A Compulsorily Convertible Preference Shares of Re. 1 each	74,732	74,732	0.1	74,732	74,732
Series B Compulsorily Convertible Preference Shares of Rs. 10 each	99,826	9,98,260	1.0	1,00,000	10,00,000
Series B1 Compulsorily Convertible Preference Shares of Rs. 10 each	29,347	2,93,470	0.3	29,437	2,94,370
Series C Compulsorily Convertible Preference Shares of Rs. 10 each	33,563	3,35,630	0.3	63,563	6,35,630
Series C1 Compulsorily Convertible Preference Shares of Rs. 10 each*	30,264	3,02,640	0.3	-	-
Series D Compulsorily Convertible Preference Shares of Rs. 10 each**	1,00,000	10,00,000	1.0	-	-
	6,81,910	**42,91,630**		**5,81,910**	**32,91,630**

*In the extraordinary general meeting held on 21 July 2020, authorised share capital of Series C1 was changed.
**In the extraordinary general meeting held on 04 November 2020, authorised share capital of Series D was changed.

1.2 Issued, Subscribed and Paid up Share Capital					
Equity Shares of Re.1 each.	1,05,805	1,05,805	0.1	1,05,805	1,05,805
Equity shares of Rs. 37 each	3,530	1,30,610	0.1	3,530	1,30,610
Compulsorily Convertible Preference shares of Rs. 37 each	23,490	8,69,130	0.9	23,490	8,69,130
Series A Compulsorily Convertible Preference Shares of Re. 1 each	74,732	74,732	0.1	74,732	74,732
Series B Compulsorily Convertible Preference Shares of Rs. 10 each	99,826	9,98,260	1.0	99,826	9,98,260
Series B1 Compulsorily Convertible Preference Shares of Rs. 10 each	29,347	2,93,470	0.3	29,347	2,93,470
Series C Compulsorily Convertible Preference Shares of Rs. 10 each	29,699	2,96,990	0.3	29,699	2,96,990
Series C1 Compulsorily Convertible Preference Shares of Rs. 10 each*	20,688	2,06,880	0.2	-	-
Series D Compulsorily Convertible Preference Shares of Rs. 10 each**	88,040	8,80,400	0.9	-	-
	4,75,157	**38,56,277**		**3,66,429**	**27,68,997**

1.2.1 Equity Shares of Re.1 each Fully paid up.					
Opening Balance	1,05,805	1,05,805	0.1	1,05,705	1,05,705
Add: Fresh issue during the year	-	-		100	100
Closing Balance	**1,05,805**	**1,05,805**		**1,05,805**	**1,05,805**

Notes:
1. 5260 Equity shares were issued to IIT Madras Incubation Cell at face value of Re.1 on 20th October 2014 as consideration for incubation and mentoring support. These shares were issued for consideration.

2. 220 Equity shares were issued @ fair value of Rs. 8454.21 (Re.1 as face value & Rs. 8453.21 as securities premium) to Dr. R Mahadevan on 24th September 2016 for consideration other than Cash.

Rights, preferences & restrictions attached to this class of share
Rights, preferences & restrictions attached to this class of share

1.2.2 Equity Shares of Rs. 37 each					
Opening Balance	3,530	1,30,610	0.1	3,530	1,30,610
Add: Fresh issue during the year	-	-		-	-
Closing Balance	**3,530**	**1,30,610**	**0**	**3,530**	**1,30,610**

Note : 250000 15 % compulsorily convertible debentures of Rs. 10 each were converted into 3530 Equity shares of Rs. 37 each at a price of Rs. 774.52 in exercise of the conversion clause of the subscription agreement.

Rights, preferences & restrictions attached to this class of share
Every Equity share will carry one vote. In the event of liquidation the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amount in proportion to their shareholding.

1.2.3 Compulsorily Convertible Preference shares of Rs. 37 each					
Opening Balance	23,490	8,69,130	0.9	23,490	8,69,130
Add: Fresh issue during the year	-	-		-	-
Closing Balance	**23,490**	**8,69,130**	**1**	**23,490**	**8,69,130**

Note: Loan from RTBI (Rural Technology & Business Incubator - IIT) along with interest accrued Rs. 1540428 was converted to 710 Compulsorily Convertible Preference shares of Rs. 37 each at a price of Rs. 2169.617 shares on 20th October 2014.

Rights, preferences & restrictions attached to this class of share
(a) Each preference share shall get converted into one equity subject to adjustments for share splits, bonus etc. based on the subscription agreement not later than 20 years from date of issue
(b) No dividend shall be payable.
(c) One vote per compulsorily convertible preference shares pari passu with the equity shares.
(d) Right over surplus assets on a pro-rata basis in the event of liquidation.

1.2.4 Series A Compulsorily Convertible Preference Shares of Re. 1 each (CCPS)					
Opening Balance	74,732	74,732	0.1	74,732	74,732.0
Add: Fresh issue during the year	-	-		-	-
Closing Balance	**74,732**	**74,732**	**0**	**74,732**	**74,732**
1.2.5 Series B Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)					
Opening Balance	99,826	9,98,260	1.0	99,826	9,98,260
Add: Fresh issue during the year	-	-		-	-
Closing Balance	**99,826**	**9,98,260**	**1**	**99,826**	**9,98,260**
1.2.6 Series B1 Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)					
Opening Balance	29,347	2,93,470	0.3	-	-
Add: Fresh issue on conversion of CCD during the year	-	-		29,347	**2,93,470**
Closing Balance	**29,347**	**2,93,470**	**0**	**29,347**	**2,93,470**
1.2.7 Series C Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)					
Opening Balance	29,699	2,96,990	0.3	-	-
Add: Fresh issue during the year	-	-		29,699	**2,96,990**
Closing Balance	**29,699**	**2,96,990**	**0**	**29,699**	**2,96,990**
1.2.8 Series C1 Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)					
Opening Balance	-	-	-	-	-
Add: Fresh issue during the year	20,688	2,06,880	0.2	-	-
Closing Balance	**20,688**	**2,06,880**	**0**	**-**	**-**
1.2.9 Series D Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)					
Opening Balance	-	-	-	-	-
Add: Fresh issue during the year	88,040	8,80,400	0.9	-	-
Closing Balance	**88,040**	**8,80,400**	**1**	**-**	**-**

Rights, preferences & restrictions attached to the above six classes of shares

(a) Preference share holders are entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, payable when, as and if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share.

(b) On the occurrence of a liquidation event, the preference share holders shall be entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.

(c) Preference shares will be converted to such number of equity shares, at the conversion ratio then in effect:
• In the event the preference share holder requires Company to convert all or a part of such preference shares held by such holder;
• upon the earlier of (i) the closing of an IPO, or (ii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the requisite number of investors.
• upon the date that is twenty (20) years after the date on which such series of Preference Shares were first issued by the Company.

(d) Holders of preference shares shall enjoy such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the “Non-Voting Preference Shares”), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

1.2.8 Compulsorily Convertible Debentures of Rs. 100 each (CCD)	**As at Mar 31st 2021**			**As at Mar 31st 2020**	
	No of Shares	**Amount (Rs.)**		**No of Shares**	**Amount (Rs.)**
Opening Balance	-	-		66,320	7
Add: Fresh issue during the year	-	-			
Less: Converted in to CCPS	-	-		66,320	7
Closing Balance	-	-		-	-

Rights, preferences & restrictions attached to this class of Compulsorily convertible debentures (CCD)

The CCD do not have any voting rights or dividends attached to it. Interest payable is at the rate of 0.01% on the face value of Rs. 100. The terms includes CCDs are convertible to CCPS in the event of further round of funding in the next year or at the end of one year from the date of issue (whichever is earlier). On 27th May 2019, 66320 CCDs were converted into 29347 Series B1 CCPS (at a face value of Rs 10 with premium of Rs. 44287.7 per share) and all the rights, preferences and restrictions shall mutatis mutandis apply accordingly.

1.3 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company (The Company has shares of different face value, hence classification given based on nominal value of shares held separately for equity and preference share capital)	As at 31st March 2021		As at 31st March 2020	
	No of Shares	% Holding	No of Shares	% Holding
EQUITY SHARE CAPITAL				
Nominal value of Re. 1 each				
Swapnil Babanlal Jain	44,800	42%	44,800	42%
Tarun Mehta Sanjay	44,800	42%	44,800	42%
Arun Vinayak	8,420	8%	8,420	8%
IITM Incubation Cell	5,260	5%	5,260	5%
Nominal value of Rs. 37 each				
V Srinivasan	3,530	100%	3,530	100%
COMPULSORILY CONVERTIBLE PREFERENCE SHARE CAPITAL				
Nominal Value of Rs. 37 each				
Sachin Bansal	10,950	47%	10,950	47%
Binny Bansal	10,950	47%	10,950	47%
Nominal value of Re. 1 each				
Internet Fund III Pte Ltd	74,732	100%	74,732	100%
Nominal value of Rs. 10 each				
Sachin Bansal	87,264	33%	29,699	19%
Hero Motocorp Limited	1,79,696	67%	1,28,533	81%

1.4 ESOP

Areas	ESOP 2020 Plan
Exercise of options while in employment	Liquidity Events
Resignation / Termination other than due to Breach	Allowed to carry vested options till first liquidity
Retirement	Allowed to carry vested options till first liquidity
Death	
Termination due to permanent incapacity	
Any other reasons	At the discretion of the Board
Reconstruction	Inclusion of Strategic Sale (Tag along and drag along)
Lapse	Cash Settlement / Buy Back / Purchase by Investor / IPO
Lock in Period	Transfer of shares as per AoA

The activity of ESOP Plan is as Follows:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Shares arising out of Option	Weighted Average Exercise Price	Shares arising out of Option	Weighted Average Exercise Price
Outstanding at the beginning	20,731		19,619	
Granted/adjustment	4,122		1,823	
Forfeited	1,890		711	
Outstanding at the end	**22,963**		**20,731**	
Exercisable at the end year	-		-	

The Fair value for the above ESOP on the date of the grant using the Black Scholes Merton Model with the following assumptions:

Particulars	As at 31 March 2021	As at 31 March 2020
Weighted average share price (Rs)	20,200 to 73,824	73,824
Exercise Price (Rs)	1	1
Expected Volatility (Rs)	50%	50%
Expected life of the Options (Years)	5- 8 years	8 years
Expected Dividends (%)	0%	0%
Risk free interest rate (%)	6%	6%

Note - 12 OTHER EQUITY	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
(i) Securities Premium				
Balance, beginning of year	6,340		4,134	
Add : Received during the year (Pursuant to issue of Compulsorily Convertible Preference shares (previous year Compulsorily convertible debentures)	-		6	
Add : Received on account of issue of compulsorily convertibile preference shares	3,439		7	
Add : Received on account of issue of equity shares	-		2,192	
Balance at the end of year		9,779		6,340
(ii) Subsidy Received		1		1
(iii) Surplus / (Deficit) in Statement of Profit and Loss				
Deficit balance, beginning of year	(3,855)		(1,623)	
Add : Profit/(Loss) for the year	(2,332)		(2,199)	
Transition impact due to adoption of Ind AS 116 (Refer note 2c)	-		(34)	
Deficit balance at the end of year		(6,188)		(3,855)
(iv) ESOP Outstanding Reserve Account	170	170	27	27
(v)Other Comprehensive Income				
Deficit balance, beginning of year	(12)		(4)	
Add : Other comprehensive income for the year	9		(7)	
Deficit balance at the end of year	(3)	(3)	(12)	(12)
		3,760		**2,502**

Note - 13 FINANCIAL LIABIITIES - BORROWINGS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
(A) Term Loan - Secured				
From Banks				
HDFC Bank			14	
AXIS Bank	295		46	
From others				
Hero FinCorp Limited	766		833	
Innoven Capital India Private Limited	47	1,108	220	1,113
(Secured against term/fixed deposits with banks, investments in mutual funds and PPE as per sanction letter - Refer note 27 for terms of borrowing)				
(B) Unsecured				
Financial liability Lease (Refer note 2c)		375		202
TOTAL		**1,483**		**1,315**

Note - 14 LONG TERM PROVISIONS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
(a) Provision for Employee benefits				
- Gratuity (Refer Note 29)	43		36	
- Compensated absences (Refer Note 29)	51	94	34	70
(b) Provision for warranty expenses		25		27
(c) Provision for de-commissioning/Asset Retirement Obligations		5		5
TOTAL		**124**		**102**

Note - 15 TRADE PAYABLES	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
a. Total outstanding dues of micro enterprises & small enterprises (See Note 33)		22		1
b. Total outstanding dues of enterprises other than micro enterprises & small enterprises		240		105
TOTAL		**262**		**105**

Note - 16 OTHER FINANCIAL LIABILITIES	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
(a) Others				
(A) Payable to employees and consultants		272		80
(B) Other Liabilities		2		1
(C) Current Maturities of Long term debt				
- HDFC Bank	40		49	
- AXIS Bank	43		43	
- Hero FinCorp Limited	338		422	
- Innoven Capital India Private Limited	189	609	188	702
(D) Interest accrued on Long term debts (Refer note 14)		13		13
(E) Financial liability Lease		96		90
(F) Right to subscribe to CCPS		157		
TOTAL		**1,150**		**886**

Note - 17 SHORT TERM PROVISIONS	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
(a) Provision for Employee benefits				
- Gratuity (Refer Note 30)	2		2	
- Compensated absences (Refer Note 30)	8	10	16	18
(b) Other short term provisions				
Provision for warranty expenses	59		23	
Provision for undelivered vehicles	78		30	
Provision for other expenses	349	486	150	203
TOTAL		**496**		**221**

Movement of provisions			**31 March 2021**	**31 March 2020**
Provision for warranty				
Opening Balance			50	7
Creation of provision			35	61
Utilisation during the year			(25)	(18)
Closing balance			59	50
Current			59	23
Non - Current			25	27

Note - 18 OTHER CURRENT LIABILITIES	As at 31 March 2021 Amount (Rs.)		As at 31 March 2020 Amount (Rs.)	
Statutory dues payable(Other than Income Tax)		22		28
Other current liabilities		1		0
Deferred revenue (Refer note 36)		13		11
Advance received from customers		60		11
TOTAL		**95**		**51**

Note - 19 REVENUE FROM OPERATIONS	Year ended 31 March 2021 Amount (Rs.)		Year ended 31 March 2020 Amount (Rs.)	
Revenue from sale of vehicles (Refer note 36)		782		350
Service income		16		3
TOTAL		**798**		**353**

Note - 20 OTHER INCOME	Year ended 31 March 2021 Amount (Rs.)		Year ended 31 March 2020 Amount (Rs.)	
Unwinding of Interest on financial assets		3		3
Profit on sale of Investments in mutual funds		27		92
Interest on Term Deposit		33		28
Other income		15		2
Gain on investments carried at fair value through profit or loss		6		10
Profit/(loss) on sale of assets		(19)		-
TOTAL		**66**		**135**

Note - 21 COST OF MATERIAL CONSUMED	Year ended 31 March 2021 Amount (Rs.)		Year ended 31 March 2020 Amount (Rs.)	
Raw Materials and components consumed:				
Opening Stock	248		201	
Add: Purchases	1,250		872	
Less: Closing Stock	441		248	
Raw Materials and components consumed:		1,057		825
Add: Allowance for Inventory write-down		(64)		(15)
Net Consumption		994		810
TOTAL		**994**		**810**

Note - 22 CHANGES IN INVENTORIES WIP & FINISHED GOODS	Year ended 31 March 2021 Amount (Rs.)		Year ended 31 March 2020 Amount (Rs.)	
				-
Finished goods at the beginning of the year	83		91	
Less: Finished good at the end of the year	189		83	
Less: Allowance for Inventory write-down	(29)	(76)	(1)	7
Total B		**(76)**		**7**
TOTAL		(76)		**(7)**

Note - 23 EMPLOYEE BENEFITS EXPENSE	Year ended 31 March 2021 Amount (Rs.)		Year ended 31 March 2020 Amount (Rs.)	
Salaries & Wages	834		856	
Employee share based payment expenses	143		27	
Contribution to Provident Fund	23		27	
Staff Welfare Expenses	22		31	
		1,022		941
Less : Intangible assets/under development capitalisation		(369)		(429)
TOTAL		**653**		**512**

Note - 24 FINANCE COSTS	**Year ended 31 March 2021 Amount (Rs.)**		**Year ended 31 March 2020 Amount (Rs.)**	
Interest on Term loan		226		194
Interest on lease liability		37		35
Interest cost on Employee Benefits provisioning		4		2
Other borrowing cost		13		9
TOTAL		**279**		**240**

Note - 25 OTHER EXPENSES	**Year ended 31 March 2021 Amount (Rs.)**		**Year ended 31 March 2020 Amount (Rs.)**	
Advertisement and marketing		315		125
Communication		3		3
Legal, professional and consultancy charges*		160		150
Foreign exchange (gain) / loss		3		(4)
Insurance		8		8
Rent and maintainence		50		37
Software license fee		29		42
Electricity charges		16		17
Rates and taxes		9		4
Repairs and maintenance		15		13
- Plant & machinery	1		2	
- Vehicles	4		1	
- Others	10		10	
Security charges		13		12
Payment to auditors		1		1
- Audit fees	1		1	
- For other services				
- Reimbursement				
Staff training expenses		2		11
Subscription		3		2
Travelling and conveyance		20		38
Warranty cost		32		61
Web server charges		26		43
Allowance for doubtful investment		-		147
Allowance for doubtful advance		-		9
Installation charges		9		7
Research expenses		63		55
Commitment Charges		50		77
Loss on account of fair value measurement of financial liabilities		157		-
Miscellaneous Expenses		10		14
TOTAL		**995**		**871**

*Consultants fees is net of capitalisation. 2020-21: Rs 64 (2019-20: 78)

Note 26: FAIR VALUE MEASUREMENT

Fair Valuation Techniques and Inputs used :

		Fair Value as at				
Element in Financial Statement	**Classification**	**31-Mar-21**	**31-Mar-20**	**Fair Value Hierarchy**	**Valuation techniques used**	**Significant unobservable input**
(i) Investments in mutual funds	FVTPL	924	390	Level 1	At Market Prices	-
(ii) Investments in commercial paper	Amortised Cost	-	-	Level 2	At cost	-
(iii) Investments in equity	FVTPL	0	0	Level 3	At cost	-
(iv) Stock Appraciation rights	FVTPL	93	-	Level 3	At cost	
(v) Right to subscribe	FVTPL	157	-	Level 3	At cost	
(ii) Security Deposits	Amortised Cost	77	68	Level 3	Effective Interest Rate	At Risk Free Rate

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.
There were no significant inter-relationships between unobservable inputs that materially affects fair values.

Note 27: TERMS OF BORROWING

Particulars	Amount	Term(months)	Interest	Primary security
Secured Loans - Long term and short term	1,718	36-60 months	Ranging from 8.55 % - 14.50 %	Primarily fixed assets (including intellectual property) and current assets of the company. Additional security provided by promoters by way of share pledge.

Note 28: OPERATING SEGMENTS

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (‘CODM’) of the Company. The CODM, who is responsible for allocat resources and assessing performance of the operating segments, that has been identified by the Directors of the Company.
Domestic segment includes sales and services to customers located in India. There are no major individual customer whose revenue exceeds more than 10% of the entity’s revenue.

Note No. 29 - EMPLOYEE BENEFITS
(a) Defined Contribution Plaı
The Company’s contribution to Provident Fund aggregating Rs. 23 (2019-20:Rs.27) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.
The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Gratuity		Compensated Absences	
	Valuation as at		Valuation as at	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Discount rate(s)	5.63%	5.94%	5.94%	5.94%
Expected return on assets	0.00%	0.00%	0.00%	0.00%
Expected rate(s) of salary increase	15%	15%	15%	15%
Attrition rate	18%	18%	18%	18%

Defined benefit plans – as per actuarial valuation as o

Particulars	Gratuity		Compensate Absences-Earned Leave	
	2021	2020	2021	2020
A. Components of Employer Expens				
Service Cost				
Current Service Cost	17	10	24	12
Past service cost and (gains)/losses from settlement	-	-	-	-
Net interest expens	2	2	2	2
Components of defined benefit costs recognised in profit or los	19	12	26	14
B.Remeasurement effects recognised in Other Comprehensive Incon				
Remeasurement on the net defined benefit liabilit				
Return on plan assets (excluding amount included in net interest expens				
Actuarial gains and loss arising form changes in financial assumption	1	5	1	9
Actuarial gains and loss arising form experience adjustment	(10)	2	(10)	(3)
Others (Actuarial gains and loss arising form changes in demographic assu	0	0	-	8
Components of defined benefit costs recognised in other comprehensive inc	(9)	7	(10)	14
Total	10	19	17	28
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st Marc				
1. Present value of defined benefit obligation as at 31st March	46	38	50	40
2. Fair value of plan assets as at 31st March	-	-	-	-
3. Surplus/(Deficit)	**(46)**	**(38)**	**(50)**	**(40)**
4. Current portion of the above	(2)	(2)	(8)	(6)
5. Non current portion of the above	(43)	(36)	(42)	(33)
			-	-
II. Change in the obligation during the year ended 31st Marc			-	-
1. Present value of defined benefit obligation at the beginning of the year	38	20	40	16
2. Expenses Recognised in statement of Profit and Loss				
- Current Service Cost	17	10	24	12
- Past Service Cost	-	-	-	-
- Interest Expense (Income	2	2	2	2
3. Recognised in Other Comprehensive Income				
Remeasurement gains / (losses)				
- Actuarial Gain (Loss) arising from:				
i. Demographic Assumption:	(10)	2	-	8
ii. Financial Assumptions	1	5	1	9
iii. Experience Adjustments	0	0	(10)	(3)
4. Benefit payments	(3)	(1)	(6)	(4)
5. Others (Specify)	-	-	-	-
6. Present value of defined benefit obligation at the end of the yea	**46**	**38**	**50**	**40**
III. Change in fair value of assets during the year ended 31st Marc				
1. Fair value of plan assets at the beginning of the year	-	-	-	-
2. Expenses Recognised in statement of Profit and Loss	-	-	-	-
- Expected return on plan assets	-	-	-	-
3. Recognised in Other Comprehensive Income	-	-	-	-
Remeasurement gains / (losses)	-	-	-	-
- Actual Return on plan assets in excess of the expected returı	-	-	-	-
- Others (specify)	-	-	-	-
4. Contributions by employer (including benefit payments recoverable	-	-	-	-
5. Benefit payments	-	-	-	-
6. Fair value of plan assets at the end of the year	-	-	-	-

* Sick leave and casual leave is short term benefit and get lapsed at calendar year end. Hence actuarial valuation is not obtained for sick leave and casual leave.

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

Principal assumption		Changes in assumption	Gratuity: Impact on defined benefit obligation – Increase in assumption	Gratuity: Impact on defined benefit obligation – Decrease in assumption	Compensate Absences-Earned Leave: Impact on defined benefit obligation – Increase in assumption	Compensate Absences-Earned Leave: Impact on defined benefit obligation – Decrease in assumption
Discount rate	2021	100bps	(3)	(4)	(8)	3
	2020	100bps	(3)	3	(2)	2
Salary growth rate	2021	100bps	3	(2)	3	(2)
	2020	100bps	2	(2)	2	(2)
Attrition rate	2021	25%	(14)	1	(6)	10
	2020	100bps	(7)	10	(5)	8

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

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

Maturity profile of defined benefit obligation

	As at 31 March 2021	As at 31 March 2020
Within 1 year	2	2
2-5 year	18	64
5 years and above	55	20

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 4.48 years (2019: 4.48 years)

VIII. Experience Adjustments :	**Period Ended 2021**	**Period Ended 2020**
	Gratuity	
1. Defined Benefit Obligation	46	38
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	46	38
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(2)	(2)
5. Experience adjustment on plan assets [Gain/(Loss)]	-	-

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the
Since the Gratuity is not funded, there is no exposure to interest rate risk and investment risk. Other risk are as evaluated below
Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.
Salary risk - Higher than expected increases in salary will increase the defined benefit obligatio

Note No. 30 - RELATED PARTY DISCLOSURES
Related Parties
Party which has significant influence
1. Hero MotoCorp. Ltd
2. Sachin Bansal
Party over which Hero MotoCorp. Ltd has signficant influence
1. Hero FinCorp Limited

Key Managerial Personnel - Directors
1. Tarun Sanjay Mehta
2. Swapnil Babanlal Jain
3. Rajat Bhargava (cessed from 15 October 2020)
4. Deepak Jain - Chief financial officer (w.e.f. November 25, 2019)
5. Raj Kiran Sitaramu Badavanahalli - Company Secretary (w.e.f 19 October 2020)
6. Harish Brahmakal Nagaraj - Company secretary (cessed from 19 October 2020)
7. Reeta Nathwani Director (w.e.f 23 November 2020)
8. Niranjan Kumar Gupta

Nature of transactions with Related Parties
Details of transaction between the Company and its related parties are disclosed below:

Particulars	**For the year ended**	**Hero MotoCorp. Lmited**	**Hero FinCorp Limited**	**Sachin Bansal**	**KMP of the Company**
Issue of Equity shares including securties premium	31-Mar-21	-	-	-	-
	31-Mar-20	-	-	7	-
Issue of Compulsorily Convertible preference shares including securties premium	31-Mar-21	1,739	-	1,700	-
	31-Mar-20	-	-	2,193	-
Compulsarily Convertible debentures converted to Compulsorily convertible preference shares to Hero MotoCorp Ltd including securties premium	31-Mar-21	-	-	-	-
	31-Mar-20	1,300	-	-	-
Term loan from Hero FinCorp Limited	31-Mar-21	-	-	-	-
	31-Mar-20	-	750	-	-
Repayment of term loan to Hero FinCorp Limited	31-Mar-21	-	150	-	-
	31-Mar-20	-	106	-	-
Interest on Term loan from Hero FinCorp Limited	31-Mar-21	-	160	-	-
	31-Mar-20	-	127	-	-
Sale of vehicles	31-Mar-21	-	-	-	-
	31-Mar-20	-	-	-	-
Managerial remuneration paid to KMP *	31-Mar-21	-	-	-	43
	31-Mar-20	-	-	-	24

Nature of Balances with Related Parties

Particulars	**For the year ended**	**HeroMoto Corp. Ltd**	**HeroFin Corp Limited**	**Sachin Bansal**	**KMP of the Company**
Term Loan	31-Mar-21	-	1,104	-	-
	31-Mar-20	-	1,254	-	-

*The Acturial Valuation Report is taken for the entire Company with out any bifurcation to any specific employee.

Note No. 31 - CONTIGENT LIABILITIES AND COMMITMENTS

Contingent liabilities (to the extent not provided for)	Amount in Rs.	
	As at 31 March 2021	As at 31 March 2020
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt # (Custom Duties)	-	-
(b) Guarantees	-	-
(c) Other money for which the Company is contingently liable (give details)	-	-
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for* (net of advances)	19	76
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature)	-	-

*The Company has sold vehicles with a right to return after 3 years. The Company believes that the customer has no significan economic incentive in returning the vehicle. Hence there is no requirement for recognising a liability

Note No. 32
DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	31 March 2021	31 March 2020
	Rs.	Rs.
(i) Principal amount remaining unpaid to MSME suppliers as on	22	1
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	112	5
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	3	0
(vi) Amount of further interest remaining due and payable even in the succeeding year.	-	-

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

Note 33
CAPITAL MANAGEMENT

The Company’s capital management objectives are
- to ensure the Company’s ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- to augment requsite resources for future infrastructure requirement

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents. the Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances) and current investments.
The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.The Company

	31 March 2021	31 March 2020
Equity	0.24	0.24
Securities Premium	9,779	8,546
Compulsorily convertible Preference shares	4	3
Compulsorily convertible debentures	-	-
Less: Cash and cash equivalents	613	(484)
	10,396	8,065

Debt-to-equity ratio is as follows:

	31 March 2021	31 March 2020
Debt (A)	2,106	2,030
Equity (B)	3,763	2,497
Debt Ratio (A / B)	0.56	0.81

Financial Risk Management Framework
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. The Company is constantly evaluating micro and macro economic factors influencing the business including, economical, geo-political, pandemic (similar to Covid 19), and other risks which may have a bearing on the business or operations. The Company is of the view that the impact of these risks would not have a material impact on the business in medium to long term business plans. The Company continously monitor these risks and other developments to identify significant uncertainties.

Risk	**Exposure Arising from**	**Measurement**	**Managemnet**
Credit Risk	Cash & Cash Equivalents, Financial Assets	Credit Ratings, Aging analysis	A) Diversification of Investments, B) Check on Counter Parties Credibility
Liquidity risk	Other Liabilities	Maturity Analysis	Maintaining sufficient cash and cash equvivalents
Market risk -Currency Risk - Interest Rate risk - Other Price risk	Finacial Assets and liabilities not in Rs	Foreign Currency Exposure	NA

CREDIT RISK

(i) Credit risk management
Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties , as a means of mitigating the risk of financial loss from defaults.This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The loss allowance provision is determined as follows:

	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	-	-	-	**-**
Gross carrying amount	-	-	41	**41**
Loss allowance provision	-	-	(41)	**(41)**

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

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

Particulars	**Less than 1 Year**	**1-5 Years**	**5 years and above**
	Rs	**Rs**	**Rs**
Financial liabilities			
31 March 2021			
Trade Payable	262	-	-
Other Liability	609	1,108	-
Total	**871**	**1,108**	**-**
31 March 2020			
Trade Payable	106	-	-
Other Liability	886	1,275	40
Total	**992**	**1,275**	**40**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

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

OTHER PRICE RISK

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Ather Energy Private Limited

1. NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Ather Energy Private Limited (CIN: U40100KA2013PTC093769) is a Private Limited Company ('Company') with its registered office in the State of Karnataka. The Company is in the business of research and development and manufacturing of electric scooters. The Company's registered office and principal place of business is IBC Knowledge Park, Bannerghatta Road, Bangalore. The Company has its manufacturing facility in Whitefield and in Hosur during the year.

2. Basis of Preparation

The financial statement of the Company is prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Investments,
- Certain financial assets and liabilities measured at amortised cost (refer accounting policy regarding financial instruments.
- Share Based payments

The financial statements are presented in INR - Indian Rupees (in millions) / Rs(mil)., except when otherwise indicated. The number '0' in financial statements denotes number less than a million. These financial statements have been approved by the Board on April 23, 2021.

3. Summary of Significant Accounting Policies

3.1. Presentation and Disclosure of Financial Statements

An asset has been classified as current when it satisfies any of the following criteria;

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is expected to be realized within twelve months after the reporting date; or
d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability has been classified as current when it satisfies any of the following criteria;

a) It is expected to be settled in the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is due to be settled within twelve months after the reporting date; or
d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current.

The Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

1. NOTES TO FINANCIAL STATEMENTS

3.2. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability
c) The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Property, Plant and Equipment, identification and allocation of various development cost to various intangible assets under development/capitalised, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.4. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value. Any cash or bank balance held for any specific use is not considered as cash and cash equivalent.

3.5. Cash Flow Statement

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

3.6. Intangible Assets

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

Internally-generated intangible assets – research and development expenditure.
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

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

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

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

1. NOTES TO FINANCIAL STATEMENTS

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

Useful lives of other intangible assets :

Intangible assets, comprising of software, expenditure on Model fee, etc. incurred are amortised over the period of licensing. Intangible assets, comprising of intellectual property rights viz., Patents, etc., are amortised over the life of the right to use, as per the respective statute.

3.7. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the PPE and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery spares which can be used only in connection with an item of PPE and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to PPE is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced are derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress / Intangible Assets Under Development (IAD): Projects under which assets are not ready for their intended use and other capital work-in-progress / IAD are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation / amortisation.

3.8. Depreciation and Amortisation

Depreciation has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets:

Description of Assets	Useful life and Basis of Depreciation/ Amortisation
a) Plant and Machinery, other than (d) below	4 – 8 Years
b) Office equipment i) Electrical Appliances such as Air Conditioner, Fridge, Water Cooler, Camera, TV,etc.,	5 Years

1. NOTES TO FINANCIAL STATEMENTS

ii) Data Processing Equipment	3 Years
c) Vehicles - Motor Vehicles	4 Years
d) Jigs, Tools and Fixtures	8 years
e) Furniture and Fittings	10 Years
f) Leasehold Improvements	Over the lease period

The Assets mentioned above are depreciated based on the Company's estimate of their useful lives taking into consideration technical factors such as product life cycle, durability based on use, etc.

Finance lease assets are depreciated over the primary lease period as the right to use these assets ceases on expiry of the lease period.

Any assets costing Rs. 5,000 or below, is fully depreciated in the year of acquisition.

Depreciation is provided pro-rata from the month of Capitalisation.

3.9. Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment including impairment on inventories, are recognized in the Statement of Profit and Loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1. NOTES TO FINANCIAL STATEMENTS

3.10. Inventories

Raw materials, components and stores & spare parts are valued at lower of cost determined on FIFO basis (FIFO on moving average basis) and estimated net realisable value. Cost includes purchase price, freight, taxes and duties and is net of credit under GST, where applicable.

Work-in-progress and finished goods are valued at lower of cost and estimated net realisable value. Cost includes all direct costs including material procurement cost and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow/non-moving / obsolete items. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.11. Revenue and Other Income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including Goods and Service Tax and any other government subsidies. The Company recognises revenue when it transfers control over a product / service to a customer which coincides with the delivery of the vehicle/rendering of service. The Company also provides various services to its customers, as an additional feature to the main product, the price of which is included in the total consideration payable by the customer. The Company carves out the price of the service and recognises it as a separate line of revenue over the period of service rendered. Till such time, the amount of consideration received attributable to this service is treated as deferred income.

Subscription income is recognised over the period of service rendered.

Sales related warranties cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-on procedures. The Company accounts for warranties in accordance with Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’.

A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment due.

Interest income is recognised on the accrual basis.

Dividend income is accounted for when the right to receive it is established.

For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

3.12. Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.13. Employee Benefits

I. Defined Contribution Plan

a. Provident Fund
Contributions in respect of Employees Provident Fund are made to the Regional Provident Fund. These Contributions are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

b. Employee State Insurance
Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity
The Company accounts its liability for future gratuity benefits based on actuarial valuation done by an independent actuary, as at the Balance Sheet date, determined every year using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognised in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognised past service cost, if any. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b. Compensated Absences: Accumulated leave (earned leave/sick leave) can be availed and/or encashed at any time during the tenure of employment, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

1. NOTES TO FINANCIAL STATEMENTS

III. Short Term Employee Benefits

Short term employee benefits include short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

3.14. Leases

As a lessee The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: – Fixed payments, including in-substance fixed payments; – Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; – Amounts expected to be payable under a residual value guarantee; and – The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the Balance Sheet

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

3.15. Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

1. NOTES TO FINANCIAL STATEMENTS

Measurement as at Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

3.16. Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) when paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. The carrying amount of MAT would be reviewed at each reporting date and the asset is written down to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

1. NOTES TO FINANCIAL STATEMENTS

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Provisions for warranty-related costs are recognized when the products are sold, or services provided. Provision is estimated based on historical experience and/or technical estimates. The estimate of such warranty-related costs is reviewed annually.

3.18. Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

3.19. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1. NOTES TO FINANCIAL STATEMENTS

3.20. Employees Stock Option

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted based on an independent valuation of such instruments. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

That cost is recognised, together with a corresponding increase in Share-Based Payment (SBP) reserves/ stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

The fair value of stock appreciation rights (SARs) is recognised as an employee benefit expense with a corresponding financial liability. The initial recognition of expense is at fair value of equity share on date of grant which then is fair valued as at each reporting date.

3.21. <u>Financial Instruments</u>

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

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

a. Debt instruments at amortised cost
b. Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

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

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

1. NOTES TO FINANCIAL STATEMENTS

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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

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

Note No. 34 - EARNINGS PER SHARE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit / (loss) for the year attributable to owners of the Company	(2,332)	(2,199)
Less: Preference dividend and tax thereon	-	-
Profit / (loss) for the year used in the calculation of basic earnings per share	(2,332)	(2,199)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Profits used in the calculation of basic earnings per share from continuing operations	(2,332)	(2,199)
Weighted average number of equity shares	4,17,078	3,56,571
Earnings/ (Loss) per share from continuing operations - Basic (in Rs.)	(5,592)	(6,167)

Dilutive Earning per share from continuing operations is not calculated as the Company has posted losses in the current year which would further dilute the basic Earning per share.

Note No. 35 - INCOME TAX

The Company is yet to make any taxable business profits.Therefore the income from profit/loss in business is Nil.

The effective tax rate of the Company is 26% (Previous Year 26%)

Note: Tax payable at effective tax rate is NIL, Considering the tax laws permit it to be adjusted against tax with holding by the banker.

Deferred Tax

The Company has carried forward loss of Rs. 1295 (2020: 837) which is eligible to be set off against future taxable profits. The Company has chosen not to recognize Deferred tax asset and the Company will evaluate the recognition at each reporting date.

Particulars	As at 31 March 2021	As at 31 March 2020
Deductible Temporary differences (will never expire)	-	-
Unused Tax losses (revenue in nature)	1,295	837
Unabsorbed Depreciation (will never expire)	276	193
Unused Tax losses (capital in nature)	-	-