Board Report

Financial Year 2022-23

Ather Energy Private Limited

Registered Office Address: 3rd Floor, Tower D, IBC Knowledge Park, # 4/1, Bannerghatta Main Road, Bengaluru 560029, Karnataka, India.

Corporate Identification Number (CIN): U40100KA2013PTC093769

CORPORATE INFORMATION

Board of Directors	Mr. Tarun Sanjay Mehta Mr. Swapnil Babanlal Jain Mr. Niranjan Kumar Gupta Mr. Nilesh Shrivastava Mr. Pankaj Sood Mr. Ram Kuppuswamy
Chief Financial Officer	Mr. Deepak Jain
Company Secretary	Ms. Puja Aggarwal
Registered Office Address	: 3rd Floor, Tower D, IBC Knowledge Park, # 4/1, Bannerghatta Main Road, Bengaluru 560 029, Karnataka, India.
Statutory Auditors	: Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number - 008072S)
Email ID	: cs@atherenergy.com
Website	: www.atherenergy.com

To,
The Members of
Ather Energy Private Limited

Your Directors have pleasure in presenting the 10th Annual Report of your Company together with the audited financial statements for the financial year ended 31st March 2023.

Financial Highlights

INR Million

Particulars	Financial year ended 31st March 2023	Financial year ended 31st March 2022
Revenue	17,836	4,085
Other Income	225	53
Total Income	**18,061**	**4,138**
Operating Expenditure	24,982	6,695
Depreciation and amortization expenses	1,128	484
Total Expenses	**26,110**	**7,179**
Profit before finance costs and tax	-8,049	-3,041
Finance costs	596	400
Profit before tax (PBT)	**-8,645**	**-3,441**
Tax	0	0
Profit / (-Loss) for the year	**-8,645**	**-3,441**

Dividend

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

Transfer to Reserves

Due to losses in FY 2022-23, no amount has been transferred to Reserves.

State of Company's Affairs

During the year, your Company sold 92,005 units of electric scooters as compared to 23,441 units in the previous year. The Company's electric scooter had excellent traction amongst the premium scooter buyers with ~82.7% of the total units sold being vehicle with top end features. The volume growth during FY 22-23 has been significant despite supply constrain situation in first half of the financial year which limited Company's network expansion and considerable competitive pressures in the second half of the year.

Hosur Plant Manufacturing Facility

During the year, the Company expanded its footprint with the establishment of a second greenfield plant to assemble and test vehicles in the same logistics park as the existing plant. With this change, the Company has a plant dedicated to manufacturing of Li-Ion battery packs while the second plant focuses on Vehicle assembly and testing. With this addition the installed production capacity has increased to 4.2 Lakh vehicles from earlier capacity of 1.2 Lakh vehicles per annum.

Business Expansion

The company has built a robust dealer network with 116 Experience Centres (ECs) across 92 cities compared to 34 ECs in the previous year. The number of test ride zones has also reached 93, taking the total customer touchpoints to 209. Your Company's network has expanded exponentially to newer markets through multiple retail partners.

The geographical spread of Company's expanded network comprises 51% in the South, followed by 21% in the West, 17% in the North, 9% in the East and 2% in the central India region.

Your Company has plans for deeper penetration in the East, West and North zones as the Company has witnessed good acceptance amongst the customers. Your Company also aims to increase its network reach through retail partners in Tier-2 and Tier-3 markets in order to increase market share with focus on adding more experience centres in new cities.

During the year, the Company also introduced Accessories & Merchandise (A&M) with intent to elevate ownership experience of its customers. The Company launched range of accessories including a Tyre Pressure Monitoring System (TPMS), side step, an innovative storage solution Frunk™ and a range of premium helmets along with merchandise like premium T-shirts. The Company aims to expand its A&M business further in the upcoming financial year.

Ather Grid

On the charging infrastructure front, your Company set up 912 fast-charging stations during the year, taking the total number of charging installations to 1225 across 91 cities which has made it the largest provider of electric 2 wheeler fast charging stations in the country.

Your Company's focus is to provide solutions for electric vehicles in the country by creating a complete ecosystem. In this regard, the Company launched neighbourhood charging which provides access to charging points in shared private spaces such as apartment complexes, office buildings, and tech parks. A total of 150 apartments and office complexes were taken onboard during the year to install this product.

Marketing

The marketing objective for FY 22-23 was to scale up the demand in alignment with sales volume aspirations. Towards this, marketing was successful in:

- Driving higher awareness for the brand across newer markets as the Company scaled up ECs, quarter on quarter;
- Looking beyond the purists as a consumer segment and reaching out to progressives. This helped us broaden our targeting and tap a larger consumer base; and
- Establishing lead generation funnel through digital media platforms.

During the year, there were two scooter launches - Gen 3 and Gen 3.1. Both launches were successful, backed by impactful Integrated Marketing Campaigns, in driving significant interest for the brand. This was also a year where we further strengthened the "Performance scooter" positioning for Ather 450 platform.

We made a significant shift in the brand messaging, moving from comparing advantages over ICE scooters to communicating that 450X is the best performance scooter.

Considering the passion for cricket as a sport in India, the Company continued its association with the Indian Premier League (IPL) for the second year by being the Principal Sponsor for "Gujarat Titans" team. This had helped the Company to drive brand recognition and awareness.

Ather Community Day was celebrated in January 2023 which was one of the biggest events the Company had hosted, bringing nearly 800 participants including prestigious customers, media and Company's employees. Our Ather vehicle owners' community got to be part of a milestone launch event and took part in engaging discussions with Ather team members about products, ecosystem, and the journey of Ather. Feedback from Customers was overwhelmingly positive with unanimous feedback of wanting to attend a second edition of Community Day.

Outlook

The outlook for the Electric Vehicle (EV) industry further strengthened during FY 22-23 with ~7.16 lacs registration and 189% growth compared to last year. The improved supply of battery cells & chips coupled with high consumer demand and continued policy support from Central and State Governments laid a strong foundation & provided a strong impetus to the industry. The penetration of electric scooters in the overall scooter industry reached 16.7% in Q4 FY23 with March 2023 crossing 17.7% penetration. This is faster than any of the industry predictions. However, the EV industry still has only reached 5% penetration of total two-wheelers sold last year primarily owing to low penetration in the motorcycle segment, thus making scooters the primary success story of India's electrification.

Growth of the EV industry is significantly fuelled by tier 2 and tier 3 cities which accounted for ~30% volume of sales. Further, states like Maharashtra, Karnataka, Gujarat & Tamil Nadu are leading the EV revolution and account for 53% of the EV industry.

Your Company has been able to consistently build the reputation of being a brand that is trustworthy and has reliable and well-built products, a wide & capable network & charging infrastructure, strong brand awareness and a customer-centric approach. This is expected to hold the Company in good stead in the coming years as it enters a very high growth phase. Last quarter of FY23 gives early signs of the positive momentum for the Company. With a healthy and stable cost structure, much wider network and the above strengths of the brand, your Company is well poised to achieve significant growth in FY23-24.

Government Policies

The Indian Government's commitment to promoting the adoption of EVs remains steadfast as it continues to introduce policies that are increasingly favourable to the EV industry. The Government's pro-EV policies are evident in significant developments that have taken place during FY 22-23. In September 2022, the Ministry of Road Transport and Highways (MoRTH) amended battery safety standards to prevent fire incidents in electric two-wheelers (E2W). The

Ministry of Power (MoP) also issued revised guidelines for EV charging infrastructure, setting timelines for providing grid connectivity for installing public charging stations.

The Department Related Parliamentary Standing Committee's report on the evaluation of EV policy highlighted the significance of continued Government support for the industry. The

report recommended that the Government extend the FAME-II scheme beyond its current March 31, 2024, timeline by an additional two years to evaluate its effectiveness and make necessary adjustments to promote EVs.

Several states including Tamil Nadu, Uttar Pradesh, Haryana, Chandigarh, Rajasthan, and Chhattisgarh have announced state-specific EV policies to incentivize the purchase of EVs and provide attractive incentives for original equipment manufacturers (OEMs) to set up manufacturing facilities. These policies have significantly contributed to the sector's growth and development, addressing the concerns of manufacturers, sellers, and customers.

Overall, Indian Government is committed to promoting EV adoption and creating a safe, reliable, accessible, and affordable EV ecosystem in the country.

Awards and recognitions

During the year, your Company received many awards and recognitions from different bodies as mentioned below:

1. ***Electric Scooter for the Year*** - by BBC Top Gear India.

2. ***National Intellectual Property Award 2021 & 2022*** *under the category "Top Start-up for IP Filing, (Grant/Registration) and Commercialization"* by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, GOI.

3. ***Best Places to work in India 2022*** ranked among top 25 companies in the 'Tech Startups' category by Ambition box.

Changes in Share Capital

In May 2022, the Company allotted 193,789 (One Lakh Ninety Three Thousand Seven Hundred and Eighty Nine) Series E CCPS at nominal value of INR 10/- each at a premium of INR 48,916 and 200 equity shares of nominal value of INR 1/- each, at a premium of INR 48,925 per share on private placement basis.

In November 2022, the Company allotted 51,359 (Fifty One Thousand Three Hundred Fifty Nine) Series E1 CCPS of INR 10/- each at a premium of INR 77,998 per Series E1 CCPS on private placement basis.

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

Issue of Debentures

In October 2022, the Company allotted 500 Series A unlisted, secured, redeemable Non-Convertible Debentures (NCD) at a face value of Rs. 1,000,000 per NCD to InnoVen Capital India Fund.

Disclosure on Employee Stock Option Scheme (ESOP)

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

Particulars	Details
Options granted during the year	46,703*
Options Vested during the year	11,082
Options Exercised during the year	NIL
Total number of shares arising as a result of exercise of option during the year	NIL
Options lapsed/cancelled/settled during the year	2,781
Exercise price (INR)	1/-
Variation of terms of options	NA
Money realized by exercise of options during the year	NA
Total number of options in force as on March 31, 2023	74,813
Employee wise details of options granted (during FY 22-23)	
- Key managerial personnel Mr. Tarun Mehta (Co-Founder) Mr. Swapnil Jain (Co-Founder) Mr. Deepak Jain (CFO) Mr. Nakul Upadhaya (CS)	 17,989 17,989 550 30
- 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

**Includes 5214 options granted to Founders vide grant letters dated April 1, 2022.*

Public Deposits

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

Changes in Directors and Key Managerial Personnel

Below were the changes in Directors and Key Managerial personnel during FY 22-23:

S. No.	Name of Director/KMP	Change	Designation	Effective date
1.	Mr. Nilesh Shrivastava	Appointment	Additional Director	22.07.2022
2.	Mr. Raj Kiran B S	Resignation	Company Secretary	31.07.2022

3.	Mr. Nakul Upadhaya	Appointment	Company Secretary	01.08.2022
4.	Mr. Nilesh Shrivastava	Regularisation at EGM	Director	26.09.2022
5.	Mr. Nakul Upadhaya	Resignation	Company Secretary	10.11.2022
6.	Mr. Pankaj Sood	Appointment	Additional Director	11.11.2022
7.	Ms. Reeta Nathwani	Resignation	Director	29.11.2022
8.	Mr. Ram Kuppuswamy	Appointment	Additional Director	27.01.2023

Meetings of Board of Directors

During the year, Fourteen (14) meetings of the Board of Directors were held. The meetings were held on 2nd May, 2022, 4th May, 2022, 18th May, 2022, 22nd July, 2022, 4th August, 2022, 21st September, 2022, 12th October, 2022, 21st October, 2022, 9th November, 2022, 11th November, 2022, 30th November, 2022, 27th January, 2023, 20th February, 2023, 24th March, 2023. The interval between any two consecutive Board Meetings did not exceed 120 days. The attendance of the Directors at the Board meetings is mentioned below:

Sl. No.	Name of the Director	DIN	No. of Meetings attended	Date of appointment	Date of cessation
1	Tarun Sanjay Mehta	06392463	11	21-10-2013	--
2	Swapnil Babanlal Jain	06682759	13	21-10-2013	--
3	Niranjan Kumar Gupta	07806792	12	03-11-2020	--
4	Reeta Nathwani	08959036	8	23-11-2020	29-11-2022
5	Nilesh Shrivastava	09632942	11	22-07-2022	--
6	Pankaj Sood	05185378	3	11-11-2022	--
7	Ram Kuppuswamy	09817635	3	27-01-2023	--

Independent Directors Declaration

The Company does not have any independent directors and hence disclosure requirement under 134(3)(d) of the Companies Act, 2013 is not applicable.

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.

Loan from Directors

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

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 Employees

Information as 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.

Particulars of loans, guarantees or investments

Details of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements.

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 attention is drawn to Note 36 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.

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, Deloitte Haskins & Sells, Chartered Accountants (Firm Registration 008072S) were appointed as Statutory Auditors of the Company at the Annual General Meeting of the Company held on 15th July 2021 to hold office from the conclusion of 8th annual general meeting till the conclusion of 13th annual general meeting, covering one term of five consecutive years.

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.

Reporting of frauds by auditors

During the year under review, there has been no instances of fraud reported by the auditors of the Company under Section 143(12) of the Companies Act, 2013.

Maintenance of Cost records

The provisions of Section 148(1) of the Companies Act, 2013 with respect to maintenance of cost records are not applicable to the Company for the financial year ended March 31, 2023.

Internal Financial Controls and Internal Audit

The Company has instituted adequate internal financial controls with reference to financial statements. During the year, the 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, in terms of section 138 of the Companies Act, 2013, the Company had appointed M/s. JCSS & Chartered Accountants (JCSS) as Internal Auditors of the Company for the financial year 2022-23. JCSS team had conducted risk based audits and based on the review, action plans have been agreed with process owners for addressing the gaps identified. These will be tracked for closure both by process owners and Internal Audit team.

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, the Company complied with all provisions of the said Act. Following is the summary of complaints received and disposed during the year:

Number of complaints received: 3
Number of complaints disposed: 3
Number of complaints withdrawn: Nil
Number of complaints pending: Nil

Whistle Blower/Vigil Mechanism

Your Company strongly believes in conduct of its business in a fair, transparent, lawful, and ethical manner. Your Company has implemented a Whistle-blower policy in line with Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, for its stakeholders to raise and report genuine concern(s) regarding unethical behaviour, actual or suspected fraud, violation of Company's policies or applicable laws. The details are available on Company's website and had been disseminated to employees of the Company.

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 has developed a Risk Management Policy which deals with major elements of risks that may threaten existence of the Company and suitable steps to mitigate the same.

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".

Material Changes Affecting the Financial Position of the Company

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

The Company received a show cause notice dated March 29, 2023 (SCN) issued by IFCI Limited acting on behalf of the Ministry of Heavy Industries (MHI) seeking reply in relation to certain matters under the FAME II Scheme and PMP Guidelines. The Company has submitted to ARAI a detailed response dated April 12, 2023 together with requisite documents.

Pursuant to discussions with MHI in May 2023, your Company, without admitting any non-compliance or breach of FAME II scheme but in the larger interest of our customers and overall EV ecosystem, has offered (a) to refund the invoiced amount of off-board/portable chargers sold with the vehicles prior to 12 April 2023; and (b) with respect to incentives calculated (as per the procedure notified by MHI dated 28 May 2019) on installed capacity against usable capacity of 2.6 kWh in vehicles sold with setting 2, to MHI to adjust the same against the amount of total claims submitted by your Company. The Company has requested MHI to release the balance claims under FAME II scheme, as submitted by the Company, at the earliest.

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.

Change in the Nature of Business, if any.

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

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a significant and foremost attitude of responsibility towards society. The Company's believes in actively contributing to the social, economic and environmental development of the community in which it operates ensuring participation from the community and thereby create value for the nature and its inhabitants through sustainable means.

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 work.

During the year, the company had undertaken below mentioned CSR activities for betterment of communities with which it operates -

Blood donation camp - Blood Donation drive was organised on December 5, 2022 at the Battery and Vehicle plants. Around 114 employees participated in the donation camp. This donation drive was organised in partnership with Life Care Voluntary Blood Bank.

CSR for road safety week – Your Company took certain awareness programme during road Safety week which is observed from 11 - 17 January every year. Your Company had also taken steps to create awareness by displaying road safety banners at its factories. The details of sessions organised by the Company are mentioned below –

(a) On 12th January 2023, employees of the Company at vehicle and battery plants organised an awareness session at the Our Lady's Higher Secondary School at Mathagondpalli village. Students of Classes 6 - 9 (around 400 students) participated in the awareness session. The session focussed on this year's theme "Our Aim - Zero Harm".

(b) On 13th January, 2023, a brief session on road safety was held for 25 truck drivers from Company's supply chain. The main message of the session was to adopt safety measures and drive safely in order to return safely to family. Pamphlets with messages on road safety were given to the truck drivers.

Copy of Annual Return

The copy of annual return can be accessed through https://assets.atherenergy.com/annual_return.pdf?_gl=1*1dfoo4e*_ga*MjYwNDE4MzkwLjE2NzIxMTQ3ODQ.*_ga_F6PH8BR8G8*MTY4NDkzMDA0MC40OS4xLjE2ODQ5MzAwNTQuNDYuMC4w which shall be uploaded by the company on the date of filing of Annual return in form MGT-7 with the Registrar.

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.

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 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 Founders, 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

Ather Energy Pvt. Ltd. Bangalore

Ather Energy Pvt. Ltd. Bangalore

Tarun Sanjay Mehta	**Swapnil Babanlal Jain**
Director	Director
DIN: 06392463	DIN: 06682759
Place: Bangalore	Place: Bangalore
Date: May 17, 2023	Date: May 17, 2023

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 2022-23.

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

   Your Directors draw attention of the members to Note number 36 to the financial statements which sets out related party disclosures.

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

Ather Energy Pvt. Ltd. Bangalore

Tarun Sanjay Mehta
Director
DIN: 06392463

Place: Bangalore
Date: May 17, 2023

Ather Energy Pvt. Ltd. Bangalore

Swapnil Babanlal Jain
Director
DIN: 06682759

Place: Bangalore
Date: May 17, 2023

ANNEXURE-II

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
[Pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014]

(A) Conservation of Energy

i.	Energy conservation measures taken	Installed with 36 nos. of IOT based Energy Meters across its plants to monitor energy consumption and control. Variable Frequency Drive (VFD) based Screw Air Compressor which consumes 15% lesser energy during operation Regenerative Battery Testing Equipments (Cyclers) and Vehicle Testing Equipment (Dyno Machines) which regenerates up to 7% of power consumed during testing.
ii.	Steps taken by the company for utilizing alternate sources of energy	Roof top Solar Plant installation is in progress which will cater 18.5% of total power consumption during day time.
iii.	The capital investment on energy conservation equipment.	Energy Meters: INR 7 Lacs VFD based Air Compressor: INR 14.5 Lacs Battery Testing (Cyclers): INR 70 Lacs Regenerative Kit (Dyno): INR 30 Lacs

(B) Technology Absorption.

i.	the efforts made towards technology absorption	Scaling up of end-to-end Supply Chain and Operations to cater to larger demand by upgrading Technology and Innovations across the board. Development of a different Scooter variant. IOT based traceability and real time visualization for all Outbound Trucks. Development for visualization of Inbound Stock by implementation of Advanced Shipping Notice.
ii.	The benefits derived like product improvement, cost reduction, product development or import substitution.	Significant cost reductions observed across purchase value and Operations Opex while improving on Quality performance as well
iii.	in case of imported technology (imported	Nil.

	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	
iv.	the expenditure incurred on Research & development	INR 10,51,18,040

(C) Foreign exchange earnings and outgo

Amount in INR

Particulars	FY2022-23	FY2021-22
Foreign Exchange inflows	2,22,09,198	4,26,921
Foreign Exchange outgo	5,71,79,91,989	91,09,36,180

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

Ather Energy Pvt. Ltd. Bangalore

Tarun Sanjay Mehta
Director
DIN: 06392463

Place: Bangalore
Date: May 17, 2023

Ather Energy Pvt. Ltd. Bangalore

Swapnil Babanlal Jain
Director
DIN: 06682759

Place: Bangalore
Date: May 17, 2023

Deloitte Haskins & Sells

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru – 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT To The Members of Ather Energy Private Limited Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit of the financial statements 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 Responsibility 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

- Our opinion on the financial statements does not cover the other information and we do not and 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

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

g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h) 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 position in its financial statements- Refer Note 37 to the financial statements.

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

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

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in note 46 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in note 46 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 008072S

Shreedhar Ghanekar
Partner
Membership No. 210840
UDIN: 23210840BGXLHC4231

Place: Bengaluru
Date: April 26, 2023
SMG/RK/2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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 with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to the financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to the financial statements 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 008072S

Shreedhar Ghanekar
Partner
Membership No. 210840
UDIN: 23210840BGXLHC4231

Place: Bengaluru
Date: April 26, 2023
SMG/RK/2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment, capital work-in-progress and relevant details of right of use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) Some of the Property, Plant and Equipment and Capital work-in-progress were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and capital work-in-progress at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanation given to us, discrepancies were noticed on such physical verification and the said discrepancies have been properly dealt with in the books of account.

(i) (c) The Company does not have any immovable properties of freehold land. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.

(i) (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been significantly received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns/statements comprising stock statements, working capital position, revenue, inventory and creditors filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order is not applicable.

(vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Services tax, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year though there has been a delay in respect of remittance of Provident Fund dues.

There were no undisputed amounts payable in respect of Goods and Services tax, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

Undisputed amounts payable in respect of Provident Fund dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable are as given below:

Name of Statute	Nature of the Dues	Amount (Rs. in Million)	Period to which the Amount Relates	Due Date	Date of Payment	Remarks, If any
The Employees' Provident Funds Scheme, 1952	Provident Fund	1.68	Apr-22 to Aug-22	Various dates	Refer remarks	Rs 1.43 million has been deposited on April 07, 2023 and the balance is pending to be deposited as of the date of the audit report.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Statue	Nature of due	Forum where dispute is pending	Period to which the amount relates	Gross Amount (Rs in Million)	Net Amount (Rs in Million)
The Customs Act, 1962	Duty of custom	Commissioner of Customs (Appeals)	FY 2018-19 to FY 2019-20	2.08	2.08
Income Tax Act, 1961	Income Tax	Commission er of Income Tax (Appeals)	FY 2016-17	0.12*	0.12*

* represents penalty

(viii) According to the information and explanations provided to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) Loans amounting to Rs. 2,193 Million outstanding as at March 31, 2023 are repayable on demand and terms and conditions for payment of interest thereon have been stipulated. According to the information and explanations given to us, such principal amount of loans have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year on pledge of securities and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has made private placement of Compulsorily Convertible Preference Shares (CCPS) during the year. For such allotment of CCPS, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

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

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto September 2022 and the draft of the internal audit reports were issued after the balance sheet date covering the period from October 2022 to March 2023.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses amounting to Rs. 5,339 Million during the financial year covered by our audit and Rs. 2,353 Million in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements including Note 1.1 to the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.

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We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 008072S

Shreedhar Ghanekar
Partner
Membership No. 210840
UDIN: 23210840BGXLHC4231

Place: Bengaluru
Date : April 26, 2023
SMG/RK/2022

Ather Energy Private Limited
Balance Sheet as at 31 March 2023
CIN: U40100KA2013PTC093769

(Amounts in Rs millions)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2(a)	1,821	930
Capital Work-in-Progress	2(b)	9	4
Right of Use Assets	2(c)	1,844	646
Intangible Assets	2(d)	1,780	1,769
Intangible Assets Under Development	2(e)	365	923
Financial Assets			
(i) Other Financial Assets	3	122	77
Other Non-current Assets	4	744	910
TOTAL - NON CURRENT ASSETS		**6,685**	**5,259**
CURRENT ASSETS			
Inventories	5	2,574	607
Financial Assets			
(i) Investments	6	2,859	373
(ii) Trade receivables	7	12	10
(iii) Cash and Cash Equivalents	8	826	574
(iv) Other balances with banks	9	936	313
(v) Other Financial Assets	10	298	13
Current Tax Assets	11	23	10
Other Current Assets	12	5,555	1,026
TOTAL - CURRENT ASSETS		**13,083**	**2,926**
TOTAL ASSETS		**19,768**	**8,185**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	0	0
Compulsorily Convertible Preference Shares	13	6	4
Compulsorily Convertible Debentures	13	-	3
Other Equity	14	6,131	2,242
TOTAL - EQUITY		**6,137**	**2,249**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
(i) Borrowings	15	1,205	1,088
(ii) Lease liabilities	16	1,686	597
Provisions	17	486	290
Other non-current liabilities	18	59	19
TOTAL - NON CURRENT LIABILITIES		**3,436**	**1,994**
CURRENT LIABILITIES			
Financial Liabilities			
(i) Borrowings	15	3,647	1,897
(ii) Lease liabilities	19	178	68
(iii) Trade Payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		236	95
(B) Total outstanding dues of creditors other than micro and small enterprises.		3,611	1,114
(iv) Other Financial Liabilities	21	1,383	532
Provisions	22	577	105
Other current liabilities	23	563	131
TOTAL CURRENT LIABITIES		**10,195**	**3,942**
TOTAL EQUITY AND LIABILITIES		**19,768**	**8,185**
Significant accounting policies	1		
Accompanying notes form an integral part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

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

Shreedhar Ghanekar	Tarun Sanjay Mehta	Swapnil Babanlal Jain	Deepak Jain	Pasa Aggarwal
Partner	Director	Director	Chief Financial Officer	Company Secretary
	DIN: 6392463	DIN: 6682759		

Date: 26 April 2023
Place: Bangalore

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Ather Energy Pvt. Ltd. BENGALURU

Ather Energy Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
CIN: U40100KA2013PTC093769

(Amounts in Rs millions)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
I Revenue from operations	24	17,836	4,085
II Other Income	25	225	53
III Total Income (I + II)		**18,061**	**4,138**
IV EXPENSES			
(1) Cost of Material Consumed	26	16,557	3,651
(2) Changes in inventories of work-in-progress & finished goods	27	(296)	143
(3) Employee benefits expense	28	3,349	1,139
(4) Finance costs	29	596	400
(5) Depreciation and amortisation expense	30	1,128	484
(6) Other expenses	31	5,372	1,762
Total Expenses (IV)		**26,706**	**7,579**
V Profit/(Loss) before tax (III - IV)		**(8,645)**	**(3,441)**
VI Tax Expense			
(1) Current tax	41	-	-
(2) Deferred tax	41	-	-
Total tax expense			-
VII Profit/(Loss) for the year (V - VI)		**(8,645)**	**(3,441)**
VIII Other comprehensive income/(loss)			
A (i) Items that will not be reclassified to profit or loss Re-measurement of defined benefit plans		6	(5)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX Total comprehensive income/(loss)for the period (VII+VIII)		**(8,639)**	**(3,446)**
X Earnings per equity share: (Rs. per share)			
(1) Basic	40	(12,852)	(7,154)
(2) Diluted		(12,852)	(7,154)
Significant accounting policies	1		
Accompanying notes form an integral part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

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

Shreedhar Ghanekar	**Tarun Sanjay Mehta**	**Swapnil Babanlal Jain**	**Deepak Jain**	**Puja Aggarwal**
Partner	**Director**	**Director**	**Chief Financial Officer**	**Company Secretary**
	DIN: 6392463	**DIN: 6682759**		

Date: 26 April 2023
Place: Bangalore

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Ather Energy Pvt. Ltd. BENGALURU

Ather Energy Private Limited
Statement of Cash Flows for the year ended 31 March 2023
CIN: U40100KA2013PTC093769

(Amounts in Rs millions)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A.	**Cash flows from operating activities**		
	Profit / (Loss) before tax for the year	(8,645)	(3,441)
	Adjustments for:		
	Interest Income	(75)	(18)
	Provision for warranty cost	633	211
	Assets written off / scrapped / loss on sale of assets	101	18
	Finance costs	596	394
	Gain on redemption of investments	(125)	(20)
	Loss on fair value measurement of financial liabilities	568	137
	Depreciation and amortisation of non-current assets	1,128	484
	Unwinding of discount on security deposits	(7)	(4)
	Unrealized foreign exchange gain / loss	(3)	2
	Allowance for doubtful advance (net of reversal)	3	47
	Loss on derecognition of Right of use assets and lease liabilities on account of termination of leases	(6)	-
	Share based payment expense	886	195
		(4,946)	**(1,995)**
	Movements in working capital:		
	(Increase)/decrease in other assets and loans & advances	(6,682)	(831)
	(Decrease)/increase in other liabilities and provisions	2,944	571
	Cash generated from / (used in) operations	**(8,684)**	**(2,255)**
	Income taxes paid (net of refunds)	(13)	(7)
	Net cash generated by / (used in) operating activities	**(8,697)**	**(2,262)**
B.	**Cash flows from investing activities**		
	Interest & dividend received	190	30
	Investments in Fixed Deposits	(31,367)	(3,603)
	Redemption of Fixed Deposits	30,743	4,229
	Proceeds from sale of mutual funds	387	-
	Payments for property, plant and equipment	(1,317)	(712)
	Proceeds from disposal of property, plant and equipment	20	-
	Net cash (used in)/generated by investing activities	**(1,344)**	**(56)**
C.	**Cash flows from financing activities**		
	Proceeds from issue of Compulsorily convertible preference shares and equity shares	11,998	0
	Proceeds from issue of Compulsorily convertible debentures	-	1,500
	Payment of lease liability (including initial direct cost)	(257)	(152)
	Proceeds from borrowings	5,308	2,000
	Repayment of borrowings	(3,440)	(732)
	Finance cost	(457)	(341)
	Net cash generated by financing activities	**13,152**	**2,275**
	Net increase / (decrease) in cash and cash equivalents	3,111	(43)
	Cash and cash equivalents at the beginning of the year	574	53
	Liquid mutual funds	-	564
	Cash and cash equivalents at the end of the year	**3,685**	**574**
	Reconciliation of cash and cash equivalents		
	Cash and bank balances	826	574
	Liquid mutual funds	2,859	-
	Total	**3,685**	**574**

Notes
1. The above Statement of Cash Flows has been prepared under Ind AS 7 'Cash Flow Statement' under indirect method.
2. Refer note 2(C) and note 15 for supplementary information on cash flow statement

Accompanying notes form an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

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

Shreedhar Ghanekar
Partner

Tarun Sanjay Mehta
Director
DIN: 6392463

Swapnil Babanlal Jain
Director
DIN: 6682759

Deepak Jain
Chief Financial Officer

Puja Aggarwal
Company Secretary

Date: 26 April 2023
Place: Bangalore

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Ather Energy Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
CIN: U40100KA2013PTC093769

A. Equity share capital

Particulars	Equity Shares of Re. 1 each		Equity Shares of Rs. 37 each	
	No. of Shares	Amount in Rs. Millions	No. of Shares	Amount in Rs. Millions
As at 31 March 2021	1,05,805	0	3,530	0
Changes in equity share capital during the year	5,025	0	-	
As at 31 March 2022	1,10,830	0	3,530	0
Changes in equity share capital during the year	200	0	-	-
As at 31 March 2023	1,11,030	0	3,530	0

B. Compulsorily convertible preference shares

Particulars	Compulsorily convertible preference shares of Re. 1 each		Compulsorily convertible preference shares of Re. 10 each		Compulsorily convertible preference shares of Rs. 37 each	
	No. of Shares	Amount in Rs. Millions	No. of Shares	Amount in Rs. Millions	No. of Shares	Amount in Rs. Millions
As at 31 March 2021	74,732	0	2,67,600	3	23,490	1
Changes in Compulsorily convertible preference share capital during the year	-	-	-	-	-	-
As at 31 March 2022	74,732	0	2,67,500	3	23,490	1
Changes in Compulsorily convertible preference share capital during the year	-	-	2,45,148	2	-	-
As at 31 March 2023	74,732	0	5,12,748	5	23,490	1

C. Compulsorily convertible debentures

Particulars	Compulsorily convertible debentures of Re. 100 each	
	No. of debentures	Amount in Rs. Millions
As at 31 March 2021	-	-
Changes/Redemption of Compulsorily convertible debentures	30,658	3
As at 31 March 2022	30,658	3
Changes/Redemption of Compulsorily convertible debentures	(30,658)	(3)
As at 31 March 2023	-	-

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Ather Energy Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
CIN: U40100KA2013PTC093769

D. Other equity

(Amount in Rs. millions)

Particulars	Reserves and Surplus			Total
	Surplus / (Deficit) in Statement of Profit and Loss	Securities Premium	Stock Options Outstanding Account	
Opening balance as on 01 April 2021	(6,191)	9,779	170	3,758
Profit / (Loss) for the year	(3,441)	-	-	(3,441)
Add: Compulsorily Convertible debentures issued during the year	-	1,497	-	1,497
Add: Equity shares issued during the year	-	246	-	246
ESOPs issued during the year	-	-	187	187
Other comprehensive income / (loss)	(5)	-	-	(5)
As at 31 March 2022	**(9,637)**	**11,522**	**357**	**2,242**
Profit / (loss) for the year	(8,645)	-	-	(8,645)
Add: Compulsorily convertible preference share shares issued during the year	-	11,989	-	11,989
Add: Equity shares issued during the year	-	10	-	10
Stock Options issued during the year	-	-	650	650
Stock Options settled during the year	-	-	(121)	(121)
Other Comprehensive income / (loss)	6	-	-	6
As at 31 March 2023	**(18,276)**	**23,521**	**886**	**6,131**

Accompanying notes form an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Shreedhar Ghanekar
Partner

Date: 26 April 2023
Place: Bangalore

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

Tarun Sanjay Mehta
Director
DIN: 6392463

Swapnil Babanlal Jain
Director
DIN: 6682759

Deepak Jain
Chief Financial Officer

Puja Aggarwal
Company Secretary

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Ather Energy Private Limited

1. NOTES TO FINANCIAL STATEMENTS

1.1 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 manufacturing of electric scooters and related research & development. The Company's registered office and principal place of business is IBC Knowledge Park, Bannerghatta Road, Bangalore.

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
- Right to subscribe to equity shares of the company

The financial statements are presented in INR - Indian Rupees in millions, except when otherwise indicated. The number '0' in financial statements denotes amount less than Rs. 0.5 million.

These financial statements have been approved by the Board for issuance on April 26, 2023.

Going Concern:

The Company has incurred a loss of Rs. 8,639 million for the year ended March 31, 2023 and has accumulated losses of Rs. 18,276 million as at March 31, 2023. In addition to meeting its current obligations, the Company also requires substantial amount of funds to continue its day-to-day operations and ongoing development activities. As at March 31, 2023 the Company has not been able to comply with the terms of loan agreement in one instance of maintenance of financial parameter. However, the lenders have taken cognizance of the credit history, broader economic scenarios that prevailed across the financial year and not levied penal charges on the Company. The Company also has adverse financial ratios (refer note 45 to the financial statements) primarily due to the losses.

Notwithstanding the above, the Company's net current assets exceed its net current liabilities by Rs. 2,888 millions as at March 31, 2023. The Management has also prepared (as approved by the Board of Directors of the Company) cash flow forecasts for the next 12 months considering i) anticipated increase in sales due to the increase in demand for electric vehicles including various diktats of Governments around the electric vehicles usage and ii) Implementation of cost control measures.

Based on the above, the Management of the Company is confident of meeting its current financial commitments and those expected to arise in the next 12 months. Accordingly, the Company has prepared these financial statements on a going concern basis.

1.2 Summary of Significant Accounting Policies

1.2.1 Presentation and Disclosure of Financial Statements

An asset is 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 is 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 are 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.

1.2.2 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.

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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.

1.2.3 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

a. Recoverability of intangible assets and intangible assets under development

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on the impairment assessment carried out, the Company's management has determined that these assets have not suffered any impairment loss.

b. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Provisions and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in the financial statements. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.

The Company is a party to certain tax and other disputes with government authorities. Due to the uncertainty associated with such cases, it is possible that, on conclusion of such matters at a future date, the final outcome may differ significantly.

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1. NOTES TO FINANCIAL STATEMENTS

d. Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

e. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at 31 March 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

The Company had chosen "unit of production" method for amortisation of internally generated intangible assets. During the year, based on a detailed reassessment carried out with the technical team, The Company has decided to use, the 'useful life' method for amortising such intangible assets as this better represents the usage pattern of the assets over their useful lives. Accordingly, internally generated intangible assets have been amortised on straight-line basis over their useful lives.

f. Provision for warranty

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.

g. Inventories

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.

h. Going concern

The Management has prepared cash flow forecasts for the next 12 months. The forecasts include assumption such as increase in gross margin due to cost control measures, timely raising funding to meet obligation as and when it falls due, realisation of subsidy amount under the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India ("FAME") Scheme – II and reduction of inventory holding.

1.2.4 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

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or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.5 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 & cash equivalent.

1.2.6 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 the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use / 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.

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.

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1. NOTES TO FINANCIAL STATEMENTS

The Company had chosen "unit of production" method for amortisation of internally generated intangible assets. During the year, based on a detailed reassessment carried out with the technical team, The Company has decided to use, the 'useful life' method for amortising such intangible assets as this better represents the usage pattern of the assets over their useful lives. Accordingly, internally generated intangible assets have been amortised on straight-line basis over their useful lives.

1.2.7 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.

1.2.8 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 (b) below	4 – 8 Years
b) Jigs, Tools and Fixtures	8 Years
c) Leasehold Improvements	Over the primary lease period or the life of the asset whichever is lower.
d) Internally built vehicles	3 years
e) Charging Infrastructure	3 years

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1. NOTES TO FINANCIAL STATEMENTS

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 date of Capitalisation.

1.2.9 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.

1.2.10 Inventories

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

1. NOTES TO FINANCIAL STATEMENTS

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.

1.2.11 Revenue and Other Income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer which coincides with the delivery of the vehicle/rendering of service. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). No element of financing is deemed present as the sale of goods / services are primarily on a "Cash and Carry" basis.

Subscription income is recognised on a straight-line basis over the term of the subscription

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.

1.2.12 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.

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1. NOTES TO FINANCIAL STATEMENTS

1.2.13 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) can be availed and encashed on termination 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 terns 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.

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.

1.2.14 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

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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.

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.

1.2.15 Foreign Currency Transactions

Initial recognition

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

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.

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1. NOTES TO FINANCIAL STATEMENTS

1.2.16 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.

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.

1.2.17 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.

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1. NOTES TO FINANCIAL STATEMENTS

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.

1.2.18 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.

1.2.19 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.

1.2.20 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 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.

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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.

If the settlement occurs during the vesting period, the entity shall account for the settlement as an acceleration of vesting and shall therefore recognise immediately the amount that would otherwise have been recognised for services received over the remainder of the vesting period. Any payment made on settlement shall be accounted for as a deduction from equity.

1.2.21 Financial Instruments

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.

Compound financial instruments

Compound financial instruments issued by the Company comprise Founder's Stock option denominated in INR that can be converted to equity shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value. Hence these have been recognised as equity

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The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at fair value through the statement of profit and loss.

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,

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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 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/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

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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.

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

Note No. 2 (a)
PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs. millions)

Description of Assets	Lease hold Improvements	Furniture & Fittings	Vehicles	Office Equipment	Plant & Machinery	Charging Infrastructure	Total
I. Gross Carrying Amount							
Balance as at 1 April 2021	119	146	2	143	815	-	**1,225**
Additions	29	8	-	75	224	-	**336**
Disposals/Transfers	(50)	(2)	-	(1)	-	-	**(53)**
Balance as at 31 March 2022	**98**	**152**	**2**	**217**	**1,039**	-	**1,508**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2021	35	84	1	72	234	-	**426**
Depreciation expense for the year	25	25	-	33	103	-	**186**
Eliminated on disposal of assets	(33)	(1)	-	-	-	-	**(34)**
Balance as at 31 March 2022	**27**	**108**	**1**	**105**	**337**	-	**578**
III. Net carrying amount as of 31 March 2022 (I-II)	**71**	**44**	**1**	**112**	**702**	-	**930**
I. Gross Carrying Amount							
Balance as at 1 April 2022	98	152	2	217	1,039	-	**1,508**
Additions	139	27	49	199	788	67	**1,269**
Reclass	132	(114)	-	(4)	(31)	17	**-**
Disposals	(29)	(7)	(1)	(20)	(227)	-	**(284)**
Balance as at 31 March 2023	**340**	**58**	**50**	**392**	**1,569**	**84**	**2,493**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2022	27	108	1	105	337	-	**578**
Depreciation expense for the year	31	19	4	58	138	10	**260**
Reclass	106	(106)	-	-	(7)	7	**-**
Eliminated on disposal of assets	(18)	(4)	-	(16)	(128)	-	**(166)**
Balance as at 31 March 2023	**146**	**17**	**5**	**147**	**340**	**17**	**672**
III. Net carrying amount as of 31 March 2023 (I-II)	**194**	**41**	**45**	**245**	**1,229**	**67**	**1,821**

Notes:
1. The above assets are owned by the Company unless otherwise specified.
2. Based on physical verification of assets carried out during the year, the management has reviewed and reclassified certain assets in the financial statements. Consequent to such reclass, the impact on financials is not material.
3. Refer note 33 for details of property, plant and equipment pledged as security towards borrowings

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Note No. 2 (b)
CAPITAL WORK-IN-PROGRESS

(Amount in Rs. millions)

Description of Assets	Capital Work in Progress
Balance as at 1 April 2021	1
Additions	4
Disposals/Transfers	(1)
Balance as at 31 March 2022	**4**
Balance as at 1 April 2022	4
Additions	9
Disposals/Transfers	(4)
Balance as at 31 March 2023	**9**

Additional disclosure
CWIP Ageing schedule for 2022-23

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9	-	-	-	9
Projects temporarily suspended	-	-	-	-	-
Total	**9**	**-**	**-**	**-**	**9**

CWIP Ageing schedule for 2021-22

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4	-	-	-	4
Projects temporarily suspended	-	-	-	-	-
Total	**4**	**-**	**-**	**-**	**4**

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

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

Note No. 2 (c)
RIGHT OF USE ASSETS

(Amount in Rs. millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Right of use assets (net of depreciation)	1,844	646
Total Right of use assets	**1,844**	**646**
Finance lease liability	1,864	665

As Lessee
(A) Additions to right of use assets

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Right-of-use assets (Gross)	1,446	316

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

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	646	444
Add: New lease contracts entered during the year	1,446	316
Less: Depreciation charge for the year	(199)	(109)
Less: Deletions	(49)	(5)
Balance at the end of the year	**1,844**	**646**

(C) Carrying value of lease liability at the end of the reporting period by class (Buildings)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	665	472
Add: New Lease Contracts Entered during the year	1,368	302
Add: Interest expense for the year	136	52
Less: Lease payments	(250)	(152)
Less: Deletions	(55)	(9)
Balance at the end of the year	**1,864**	**665**
Current lease liability	178	68
Non current lease liability	1,686	597

(D) Maturity analysis of lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Maturity analysis – contractual undiscounted cash flows		
Less than one year	377	135
One to five years	1,597	543
More than five years	1,215	426
Total undiscounted lease liabilities	**3,189**	**1,104**
Lease liabilities	1,864	665

(E) Amounts recognised in profit or loss

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Interest on lease liabilities	136	52
Depreciation	199	109
Expenses relating to short-term leases	14	4

(F) Amounts recognised in the statement of cash flows

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
Total cash outflow for leases disclosed under financing activities	257	152

(G) Other disclosures

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

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

Note No. 2 (d)
INTANGIBLE ASSETS

(Amount in Rs. millions)

Description of Assets	Other Intangible Assets			Product design & Development	Total
	Website	Software	Patents & Other IP Rights		
I. Gross Carrying Amount					
Balance as at 1 April 2021	16	64	11	1,873	1,964
Additions	-	43	-	92	135
Disposals	-	-	-	-	-
Balance as at 31 March 2022	**16**	**107**	**11**	**1,965**	**2,099**
II. Accumulated amortisation and impairment					
Balance as at 1 April 2021	16	52	2	71	141
Amortisation expense for the year	-	10	1	178	189
Eliminated on disposal of assets	-	-	-	-	-
Balance as at 31 March 2022	**16**	**62**	**3**	**249**	**330**
III. Net carrying amount as of 31 March 2022 (I-II)	-	**45**	**8**	**1,716**	**1,769**
I. Gross Carrying Amount					
Balance as at 1 April 2022	16	107	11	1,965	2,099
Additions	-	19	-	663	682
Disposals	-	(4)	-	-	(4)
Reclass	-	3	(2)	(1)	-
Balance as at 31 March 2023	**16**	**125**	**9**	**2,627**	**2,777**
II. Accumulated amortisation and impairment					
Balance as at 1 April 2022	16	62	3	249	330
Amortisation expense for the year	-	13	4	652	669
Eliminated on disposal of assets	-	(2)	-	-	(2)
Reclass	-	3	1	(4)	-
Balance as at 31 March 2023	**16**	**76**	**8**	**897**	**997**
III. Net carrying amount as of 31 March 2023 (I-II)	-	**49**	**1**	**1,730**	**1,780**

Note No. 2 (e)
INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in Rs. millions)

Description of Assets	Intangible Assets Under Development
Balance as at 1 April 2021	471
Additions	452
Balance as at 31 March 2022	**923**
Balance as at 1 April 2022	923
Additions	105
Capitalisation	(663)
Balance as at 31 March 2023	**365**

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Additional disclosure

(i) Intangible Assets Under Development Ageing schedule for 2022-23

(Amount in Rs. millions)

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Future generation projects	68	62	-	-	130
Projects temporarily suspended					
Pure (refer note 1 below)	-	-	-	235	235
Total	**68**	**62**	**-**	**235**	**365**

(ii) Intangible Assets Under Development Ageing schedule for 2021-22

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Future generation projects	452	236	-	-	688
Pure	-	-	181	54	235
Total	**452**	**236**	**181**	**54**	**923**

(iii) Intangible Assets Under Development Completion schedule for 2022-23

Intangible Assets Under Development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Pure	235	-	-	-	235
Total	**235**	**-**	**-**	**-**	**235**

(iv) Intangible Assets Under Development Completion schedule for 2021-22

Intangible Assets Under Development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Pure	235	-	-	-	235
Total	**235**	**-**	**-**	**-**	**235**

Note 1: During the year, in order to channelize the Company's efforts towards reducing the material cost of existing models and to achieve scale in operations, the Project Pure (mass market product) was temporarily suspended and this project will be taken up during the 2023-24 for further development.

(v) Impairment testing of intangible assets including intangibles assets under development

The Company does its impairment evaluation on an annual basis and based on such evaluation as at March 31, 2023, the estimated recoverable amount of the Cash Generating Unit (CGU) exceeded its carrying amount. For the purpose of impairment testing, intangible assets (Product Design & Development) and intangible assets under development are allocated to the CGU which benefits from the intangible asset. For this, the Company as a whole is considered as CGU.

The recoverable amount of the above CGU has been determined based on 'value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 5 years and terminal value. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. The Company has performed sensitivity analysis for all key assumptions and concluded that it is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount. The key assumptions used for the calculations were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	26.80%	25.20%
Long-term growth rate	5.00%	5.00%

The actuals results of operations and cash flows could be different from the estimates.

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Note - 3 OTHER FINANCIAL ASSETS	As at 31 March 2023		As at 31 March 2022	
Investments in equity instruments (unquoted)				
Investments in equity shares of M/S Autovert Technologies Private Limited (Nil (PY 570) equity shares of Rs. 10 each)		-		0
Security deposits *(carried at amortised cost)- unsecured* (Refer Note no - 32)		121		77
Term deposits*		1		-
*lien marked against bank gurantees				
TOTAL		**122**		**77**

Note - 4 OTHER NON CURRENT ASSETS	As at 31 March 2023		As at 31 March 2022	
Unsecured, considered good				
Balances with Government authorities {refer note 12(a)}		649		735
Deposits with lendors		55		55
Capital advances		40		120
Unsecured, considered doubtful				
Capital advances	53		51	
Less: Allowance for doubtful advance	(53)	-	(51)	-
TOTAL		**744**		**910**

Note - 5 INVENTORIES	As at 31 March 2023		As at 31 March 2022	
Raw materials & components *		2,227		531
Raw Materials in transit		6		31
Semi-finished & work-in-process		39		5
Finished goods		302		40
TOTAL		**2,574**		**607**

* Net of Rs. 20 Million (PY NIL) provision for inventory obsolescence

Note - 6 INVESTMENTS	As at 31 March 2023		As at 31 March 2022	
Investments carried at fair value through profit and loss				
Investments in quoted mutual funds		2,859		373
Investments in Commercial Paper of IL&FS Financial Services Limited	196		196	
Less: Allowance for dimunition in value of investments (refer note 1 below)	(196)		(196)	-
TOTAL		**2,859**		**373**

Note 1: 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. The Company 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.

Note 2: Detailed breakup of the Investments in quoted mutual funds

Particulars of Mutual Funds	As at 31 March 2023			As at 31 March 2022		
	No. of units	Cost	Market value	No. of units	Cost	Market value
Investments in quoted securities:						
Lien Marked						
ICICI Pru Liquid Direct-Growth	-	-	-	2,86,966	86	90
IDFC Cash Regular-Growth	-	-	-	36,015	90	92
Axis Liquid Fund-Growth	-	-	-	81,101	162	191
Non- Lien Marked						
ICICI Pru Liquid Direct-Growth	11,87,912	386	396	-	-	-
ICICI Pru Overnight Fund Direct-Growth	1,65,764	200	200	-	-	-
SBI Liquid Direct-Growth	85,258	300	301	-	-	-
Aditya Birla SL Money Manager-Growth	9,70,544	290	304	-	-	-
Axis Liquid-Growth	42,416	103	105	-	-	-
Axis Liquid Direct-Growth	2,10,466	525	526	-	-	-
Nippon India Liquid Direct-Growth	95,582	525	527	-	-	-
HDFC Liquid Fund-Growth	67,866	300	300	-	-	-
Kotak Liquid Fund-Growth	44,301	200	200	-	-	-
TOTAL		**2,829**	**2,859**		**338**	**373**

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Note - 7 TRADE RECEIVABLES	As at 31 March 2023		As at 31 March 2022	
Trade Receivables considered good - Unsecured		12		10
TOTAL		**12**		**10**

Trade Receivables ageing schedule for the period ended 31, March 2023

Particulars	Outstanding for the following periods from transaction date					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
- Considered good	12	-	-	-	-	12
Total	12	-	-	-	-	12

Trade Receivables ageing schedule for the Year ended 31, March 2022

Particulars	Outstanding for the following periods from transaction date					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
- Considered good	10	-	-	-	-	10
Total	10	-	-	-	-	10

Note - 8 CASH AND CASH EQUIVALENTS	As at 31 March 2023		As at 31 March 2022	
Balances with banks in current accounts		825		574
Cash in hand		1		0
TOTAL		**826**		**574**

Note - 9 OTHER BALANCES WITH BANKS	As at 31 March 2023		As at 31 March 2022	
Term deposits*		936		313
*Rs. 934 Million (PY: Rs.313 Million) lien marked against term loans, bank guarantees issued to Government departments and corporate credit cards				
TOTAL		**936**		**313**

Note - 10 OTHER FINANCIAL ASSETS	As at 31 March 2023		As at 31 March 2022	
Interest accrued on fixed deposits		1		5
Deposits with lenders		295		-
Other receivables				
- Sale of scrap		2		5
- Others		-		3
TOTAL	-	**298**		**13**

Note - 11 CURRENT TAX ASSETS	As at 31 March 2023		As at 31 March 2022	
Tax deduction at source		23		10
TOTAL		**23**		**10**

Note - 12 OTHER CURRENT ASSETS	As at 31 March 2023		As at 31 March 2022	
Unsecured, considered good				
Balances with Government authorities (refer note a below)		5,039		715
Prepaid expenses		107		106
Loans & advances to employees		8		1
Advance to vendors		401		204
Unsecured, considered doubtful				
Advance to vendors	38		37	
Less: Allowance for doubtful advance	(38)		(37)	-
TOTAL		**5,555**		**1,026**

Note :
(a) Balance with Government authorities includes GST Input Tax Credit and receivables under Faster Adoption and Manufacturing of Hybrid and Electric Vehicles II (FAME II) scheme.

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Note - 13 SHARE CAPITAL

	As at 31 March 2023		As at 31 March 2022	
	No of Shares	Amount (in Rs. Millions)	No of Shares	Amount (in Rs. Millions)
1.1 Authorised Capital				
Equity Shares of Re.1 each.	2,87,158	0.3	2,87,158	0.3
Equity shares of Rs. 37 each	3,530	0.1	3,530	0.1
Compulsorily Convertible Preference shares of Rs. 37 each	23,490	0.9	23,490	0.9
Series A Compulsorily Convertible Preference Shares of Re. 1 each	74,732	0.1	74,732	0.1
Series B Compulsorily Convertible Preference Shares of Rs. 10 each	99,826	1.0	99,826	1.0
Series B1 Compulsorily Convertible Preference Shares of Rs. 10 each	29,347	0.3	29,347	0.3
Series C Compulsorily Convertible Preference Shares of Rs. 10 each	29,699	0.3	33,563	0.3
Series C1 Compulsorily Convertible Preference Shares of Rs. 10 each	20,688	0.2	30,264	0.3
Series D Compulsorily Convertible Preference Shares of Rs. 10 each	88,040	0.9	1,00,000	1.0
Series E Compulsorily Convertible Preference Shares of Rs. 10 each	1,93,789	1.9	3,50,000	3.5
Series E1 Compulsorily Convertible Preference Shares of Rs. 10 each	51,359	0.5	-	-
Compulsorily Convertible Preference Shares of Rs. 10 each	1,30,252	1.3	-	-
TOTAL	**10,31,910**	**7.8**	**10,31,910**	**7.8**
1.2 Issued, Subscribed and Paid up Share Capital				
Equity Shares of Re.1 each.	1,11,030	0.1	1,10,830	0.1
Equity shares of Rs. 37 each	3,530	0.1	3,530	0.1
Compulsorily Convertible Preference shares of Rs. 37 each	23,490	0.9	23,490	0.9
Series A Compulsorily Convertible Preference Shares of Re. 1 each	74,732	0.1	74,732	0.1
Series B Compulsorily Convertible Preference Shares of Rs. 10 each	99,826	1.0	99,826	1.0
Series B1 Compulsorily Convertible Preference Shares of Rs. 10 each	29,347	0.3	29,347	0.3
Series C Compulsorily Convertible Preference Shares of Rs. 10 each	29,699	0.3	29,699	0.3
Series C1 Compulsorily Convertible Preference Shares of Rs. 10 each	20,688	0.2	20,688	0.2
Series D Compulsorily Convertible Preference Shares of Rs. 10 each	88,040	0.9	88,040	0.9
Series E Compulsorily Convertible Preference Shares of Rs. 10 each	1,93,789	1.9	-	-
Series E1 Compulsorily Convertible Preference Shares of Rs. 10 each	51,359	0.5	-	-
TOTAL	**7,25,530**	**6.3**	**4,80,182**	**3.9**
1.2.1 Equity Shares of Re.1 each Fully paid up. ***(refer note below)***				
Opening Balance	1,10,830	0.1	1,05,805	0.1
Add: Fresh issue during the year	200	0.0	5,025	0.0
Closing Balance	1,11,030	0.1	**1,10,830**	**0.1**

Notes:

Of the above equity shares;

1. 5,260 Equity shares were issued at face value of Re. 1 on 20th October 2014 as consideration for incubation and mentoring support. These shares were issued for consideration other than Cash.

2. 220 Equity shares were issued @ fair value of Rs. 8,454.21 (Re. 1 as face value & Rs. 8,453.21 as securities premium) on 24 September 2016 for consideration other than Cash.

3. 5,025 Equity shares were issued on 21 February 2022 @ face value of Re. 1 received in cash and Rs. 48,900 as securities premium on fair valuation of right to subscribe for consideration other than Cash.

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 share holding.

1.2.2 Equity Shares of Rs. 37 each				
Opening Balance	3,530	0.13	3,530	0.1
Add: Fresh issue during the year	-	-	-	-
Closing Balance	3,530	0.13	**3,530**	**0.1**

Note: 2,50,000 15% compulsorily convertible debentures of Rs. 10 each were converted into 3,530 Equity shares of Rs. 37 each at a price of Rs. 774.52 in exercise of the conversion clause of the subscription agreement on 15 May 2014.

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	0.9	23,490	0.9
Add: Fresh issue during the year	-	-	-	-
Closing Balance	23,490	0.9	**23,490**	**0.9**

Note: The above includes, 710 Compulsorily Convertible Preference shares issued on 20 October 2014 @ fair value of Rs. 2,169.617 (Rs. 37 as face value & Rs. 2,132.617 as securities premium) on conversion of loan along with accrued interest of Rs. 1,540,428.

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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.

Particulars	No of Shares	Amount (in Rs. Millions)	No of Shares	Amount (in Rs. Millions)
1.2.4 Series A Compulsorily Convertible Preference Shares of Re. 1 each (CCPS)				
Opening Balance	74,732	0.1	74,732	0.1
Add: Fresh issue during the year	-	-	-	-
Closing Balance	74,732	0.1	74,732	0.1
1.2.5 Series B Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)				
Opening Balance	99,826	1.0	99,826	1.0
Add: Fresh issue during the year	-	-	-	-
Closing Balance	99,826	1.0	99,826	1.0
1.2.6 Series B1 Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)				
Opening Balance	29,347	0.3	29,347	0.3
Add: Fresh issue during the year	-	-	-	-
Closing Balance	29,347	0.3	29,347	0.3
1.2.7 Series C Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)				
Opening Balance	29,699	0.3	29,699	0.3
Add: Fresh issue during the year	-	-	-	-
Closing Balance	29,699	0.3	29,699	0.3
1.2.8 Series C1 Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)				
Opening Balance	20,688	0.2	20,688	0.2
Add: Fresh issue during the year	-	-	-	-
Closing Balance	20,688	0.2	20,688	0.2
1.2.9 Series D Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)				
Opening Balance	88,040	0.9	88,040	0.9
Add: Fresh issue during the year	-	-	-	-
Closing Balance	88,040	0.9	88,040	0.9
1.2.10 Series E Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)				
Opening Balance	-	-	-	-
Add: Fresh issue during the year	1,63,131	1.6	-	-
Add: Compulsorily Convertible Debentures converted into Series E CCPS	30,658	0.3		
Closing Balance	1,93,789	1.9	-	-
1.2.11 Series E1 Compulsorily Convertible Preference Shares of Rs. 10 each (CCPS)				
Opening Balance	-	-	-	-
Add: Fresh issue during the year	51,359	0.5	-	-
Closing Balance	51,359	0.5	-	-

Rights, preferences & restrictions attached to the above eight 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.

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1.3 Compulsorily Convertible Debentures of Rs. 100 each (CCD)	**As at 31 March 2023**		**As at 31 March 2022**	
	No of Debentures	**Amount (in Rs. Millions)**	**No of Debentures**	**Amount (in Rs. Millions)**
Opening Balance	30,658	3.1	-	-
Add: Fresh issue during the year	-	-	30,658	3.1
Less: Converted in to CCPS	30,658	3.1	-	-
Closing Balance	-	-	**30,658**	**3.1**

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 0.0001% on the face value of Rs. 100. The terms includes CCDs are convertible to CCPS at the end of 180 days from the date of issue or in the event of further round of funding before 180 days or occurrence of a restructuring event (whichever is earlier).

1.4 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	**As at 31 March 2023**		**As at 31 March 2022**	
	No of Shares	**% Holding**	**No of Shares**	**% Holding**
EQUITY SHARE CAPITAL				
1.4.1 Equity Shares of Rs. 1 each				
Swapnil Babanlal Jain	44,800	40%	44,800	40%
Tarun Sanjay Mehta	44,800	40%	44,800	40%
Arun Vinayak	8,420	8%	8,420	8%
IITM Incubation Cell	5,260	5%	5,260	5%
1.4.2 Equity Shares of Rs. 37 each				
V Srinivasan	3,530	100%	3,530	100%
COMPULSORILY CONVERTIBLE PREFERENCE SHARE CAPITAL				
1.4.3 Compulsorily Convertible Preference shares of Rs. 37 each				
Sachin Bansal	10,950	47%	10,950	47%
Three State Capital Pte Ltd	10,950	47%	10,950	47%
1.4.4 Series A Compulsorily Convertible Preference Shares of Rs. 1 each				
Internet Fund III Pte Ltd	74,732	100%	74,732	100%
1.4.5 Series B Compulsorily Convertible Preference Shares of Rs. 10 each				
Hero Motocorp limited	99,186	99%	99,186	99%
1.4.6 Series B1 Compulsorily Convertible Preference Shares of Rs. 10 each				
Hero Motocorp limited	29,347	100%	29,347	100%
1.4.7 Series C Compulsorily Convertible Preference Shares of Rs. 10 each				
Sachin Bansal	29,699	100%	29,699	100%
1.4.8 Series C1 Compulsorily Convertible Preference Shares of Rs. 10 each				
Hero Motocorp limited	20,688	100%	20,688	100%
1.4.9 Series D Compulsorily Convertible Preference Shares of Rs. 10 each				
Hero Motocorp limited	30,475	35%	30,475	35%
Sachin Bansal	57,565	65%	57,565	65%
1.4.10 Series E Compulsorily Convertible Preference Shares of Rs. 10 each				
Hero Motocorp limited	84,310	44%	-	-
National Investment and Infrastructure Fund II	76,546	39%	-	-
Caladium Investment Pte Ltd	30,558	16%	-	-
1.4.11 Series E1 Compulsorily Convertible Preference Shares of Rs. 10 each				
Caladium Investment Pte Ltd	51,276	100%	-	-

1.5 Details of Shares held by Promoters	**As at 31 March 2023**		**Percentage change during the year ended March 31, 2023**
	No of Shares	**% Holding**	
EQUITY SHARE CAPITAL			
Swapnil Babanlal Jain	44,800	40%	-0.07%
Tarun Mehta Sanjay	44,800	40%	-0.07%

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Note - 14 OTHER EQUITY	As at 31 March 2023		As at 31 March 2022	
(i) Securities Premium				
Balance at the beginning of the year	11,522		9,779	
Add : Received on account of issue of compulsorily convertible debentures	-		1,497	
Add : Received on account of issue of compulsorily convertible preference shares	11,989		-	
Add : Received on account of issue of equity shares	10		246	
Balance at the end of the year		23,521		11,522
(ii) Surplus / (Deficit) in Statement of Profit and Loss				
Deficit at the beginning of the year	(9,637)		(6,191)	
Add : Profit/(Loss) for the year	(8,645)		(3,441)	
Add : Other Comprehensive income / (loss)	6		(5)	
Deficit at the end of the year		(18,276)		(9,637)
(iii) Stock Options Outstanding Reserve (Refer note 47 (a))				
Balance at the beginning of the year	357		170	
Add : Stock Options issued during the year	650		187	
Less : Stock Options settled during the year *	(121)		-	
Balance at the end of the year		**886**		357
		6,131		**2,242**

Nature and purpose of other reserve

(i) Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

(ii) Surplus / (Deficit) in Statement of Profit and Loss

Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders

(iii) Stock Options Outstanding Reserve

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to stock options outstanding reserve. The amount of cost recognised is transferred to share premium on exercise of the related stock options

* During the year, the Company announced ESOP Cash Settlement program whereby a participant could opt for cash settlement of vested options. The cash payment made to settle the fully vested options is debited to reserves in accordance with Ind AS 102.

Note - 15 BORROWINGS

(Amount in Rs. millions)

1. Non-current borrowings	As at 31 March 2023		As at 31 March 2022	
(A) Term Loan - Secured (at amortised cost)				
From Banks (Refer note 33)		127		186
From Others (Refer note 33)		1,078		902
TOTAL		**1,205**		**1,088**

2. Current borrowings	As at 31 March 2023		As at 31 March 2022	
(A) Loans repayable on demand - Secured (at amortised cost)				
From Banks (Refer note 33)		2,193		287
From Others (Refer note 33)		-		400
(B) Current Maturities of Long term debt - Secured				
From Banks (Refer note 33)		68		105
From Others (Refer note 33)		1,042		1,105
(C) Non convertible debentures (refer note below)		344		-
TOTAL		**3,647**		**1,897**

Note: The Company has invested/deposited amount equivalent to 15% of the amount of debentures maturing during the next financial year pursuant to Companies (Share Capital and Debentures) Rules, 2014

3. Net Debt Reconciliation

Particulars	As at 31 March 2023		As at 31 March 2022	
Opening balance		2,985		1,717
Received during the period		5,308		2,000
Repayment made during the period		(3,440)		(732)
Exchange loss / (gain)		(1)		-
Closing Balance		4,852		2,985

Additional disclosures:

1. The Company has borrowings from banks or financial institutions on the basis of security of current assets and the statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
2. Charges or satisfaction of charges are registered with ROC within the statutory period, there are no charges or satisfaction yet to be registered with ROC beyond the statutory period as at 31st March 2023.
3. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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Note - 16 LEASE LIABILITIES (NON CURRENT)	As at 31 March 2023		As at 31 March 2022	
Lease liability (Refer note 2(c))		1,686		597
TOTAL		**1,686**		**597**

Note - 17 LONG TERM PROVISIONS	As at 31 March 2023		As at 31 March 2022	
(a) Provision for Employee benefits				
- Gratuity (Refer Note 35)	92		61	
- Compensated absences (Refer Note 35)	81	173	61	122
(b) Provision for warranty expenses (Refer note 22 (a))		288		153
(c) Provision for site-restoration expense		25		15
TOTAL		**486**		**290**

Note - 18 OTHER NON-CURRENT LIABILITIES	As at 31 March 2023		As at 31 March 2022	
Deposits received from dealers		59		19
TOTAL		**59**		**19**

Note - 19 LEASE LIABILITIES (CURRENT)	As at 31 March 2023		As at 31 March 2022	
Lease liability (Refer note 2 (c))		178		68
TOTAL		**178**		**68**

Note - 20 TRADE PAYABLES	As at 31 March 2023		As at 31 March 2022	
a. Total outstanding dues of micro enterprises & small enterprises (refer note 38)		236		95
b. Total outstanding dues of enterprises other than micro enterprises & small enterprises		3,611		1,114
TOTAL		**3,847**		**1,209**

(a) Trade Payables ageing schedule for the year ended 31, March 2023 **(Amount in Rs. millions)**

Particulars	Unbilled	Not due	Outstanding for the following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- MSME	-	216	20	-	-	-	236
- Others	1,182	1,964	460	1	3	1	3,611
Total	**1,182**	**2,180**	**480**	**1**	**3**	**1**	**3,847**

(b) Trade Payables ageing schedule for the year ended 31, March 2022

Particulars	Unbilled	Not due	Outstanding for the following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- MSME	-	86	-	9	-	-	95
- Others	525	560	11	9	4	5	1,114
Total	**525**	**646**	**11**	**18**	**4**	**5**	**1,209**

(c) Relationship with struck off Companies

Name of struck off Company	Nature of transactions	Transactions during the year 31 March 2023	Transactions during the year 31 March 2022	Balance outstanding as at 31 March 2023	Balance outstanding as at 31 March 2022	Relationship with the Struck off Company
Touch Stream Solutions Private Ltd.	Service charges	-	0	-	-	Vendor
Chai Kahani Cafes And Services P Ltd.	Service charges	0	-	-	-	Vendor

Note - 21 OTHER FINANCIAL LIABILITIES	As at 31 March 2023		As at 31 March 2022	
Payable to employees		258		207
Interest accrued on long term debts		11		14
Stock appreciation rights (Refer notes 32 & 47 (b))		415		175
Right to subscribe (Refer note 32)		617		49
Payable on purchase of Property, Plant and Equipment		80		86
Other Liabilities		2		1
TOTAL		**1,383**		**532**

Note:
(i). Right to subscribe: The Company has granted the right to subscribe to equity shares of the Company at a predetermined price to certain existing shareholders as per the shareholder's agreements and to certain lenders as per loan agreements.
(ii). Stock appreciation rights: Eligible employees and consultants are entitled to receive cash on account of appreciation in stock prices of the Company, subject to fulfilment of certain vesting conditions.
The fair value of the above liabilities as at the year end are determined by actuarial valuations using Black-Scholes Model.

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

Note - 22 SHORT TERM PROVISIONS	As at 31 March 2023		As at 31 March 2022	
(a) Provision for Employee benefits				
- Gratuity (Refer note 35)	11		5	
- Compensated absences (Refer note 35)	34	45	12	17
(b) Other short term provisions				
- Provision for warranty expenses (Refer note (a) below)		532		88
TOTAL		**577**		**105**

(a) Movement of provisions	As at 31 March 2023	As at 31 March 2022
Provision for warranty		
Opening Balance	241	59
Creation of provision	633	211
Utilisation / reversal during the year	(54)	(29)
Closing balance	**820**	**241**
Current	532	88
Non Current	288	153

Note - 23 OTHER CURRENT LIABILITIES	As at 31 March 2023		As at 31 March 2022	
Statutory dues payable (Other than Income Tax)		105		34
Deferred revenue (Refer note 42)		22		8
Interest payable to vendors registered under MSMED Act		13		7
Advance received from customers*		423		82
TOTAL		**563**		**131**

* The Company has used practical expedient under Ind AS 115 for disclosure of remaining performance obligations.

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

(Amount in Rs. millions)

Note - 24 REVENUE FROM OPERATIONS	Year ended 31 March 2023		Year ended 31 March 2022	
Revenue from sale of products (Refer note 42)		16,439		3,793
Service income		1,397		292
TOTAL		**17,836**		**4,085**

Note - 25 OTHER INCOME	Year ended 31 March 2023		Year ended 31 March 2022	
Unwinding of Interest on financial assets		7		4
Commission income		2		-
Sale of scrap		12		4
Profit on sale of Investments in mutual funds		123		20
Profit on sale of non-trade investments		2		-
Interest on Term Deposit		75		18
Other income		4		7
TOTAL		**225**		**53**

Note - 26 COST OF MATERIAL CONSUMED	Year ended 31 March 2023		Year ended 31 March 2022	
Raw Materials and components consumed:				
Opening Stock		562		441
Add: Purchases		18,228		3,772
Less: Closing Stock		2,233		562
COST OF MATERIAL CONSUMED		**16,557**		**3,651**

Note - 27 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS	Year ended 31 March 2023		Year ended 31 March 2022	
Inventories at the beginning of the period				
- Finished Goods	40		184	
- Semi Finished Goods & Work in Progress	5		4	
Inventories at the end of the period				
- Finished Goods	302		40	
- Semi Finished Goods & Work in Progress	39	(296)	5	143
CHANGES IN INVENTORIES		**(296)**		**143**

Note - 28 EMPLOYEE BENEFITS EXPENSE	Year ended 31 March 2023		Year ended 31 March 2022	
Salaries & allowances	2,240		1,106	
Employee share based payment expenses	886		276	
Contribution to Provident Fund	89		38	
Gratuity (Refer note 35)	49		19	
Staff Welfare Expenses	136		55	
		3,400		1,494
Less : Transfer to intangible assets under development		(51)		(355)
TOTAL		**3,349**		**1,139**

Note - 29 FINANCE COSTS	Year ended 31 March 2023		Year ended 31 March 2022	
Interest on Borrowings		412		331
Interest on lease liability		136		52
Interest on delayed payments to MSME vendors		6		4
Other borrowing cost		42		13
TOTAL		**596**		**400**

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

Note - 30 DEPRECIATION AND AMORTISATION EXPENSE	Year ended 31 March 2023		Year ended 31 March 2022	
Depreciation of property, plant and equipment (refer note 2(a))		260		186
Depreciation of right-of-use assets (refer note 2(c))		199		109
Amortization of other intangible assets (refer note 2(d))		669		189
TOTAL		**1,128**		**484**

Note - 31 OTHER EXPENSES	Year ended 31 March 2023		Year ended 31 March 2022	
Advertisement and marketing		2,038		455
Legal, professional and consultancy charges *		612		252
Consumables **		113		75
Warranty cost		633		211
Freight and carriage outwards		154		55
Loss on fair value measurement of financial liabilities ***		568		137
Web server charges		223		108
Software license fee		125		59
Travelling and conveyance		216		53
Rent and maintenance		95		45
Allowance for doubtful advance		3		47
Electricity charges		61		28
Communication charges		26		3
Recruitment / training expenses		88		27
Security charges		40		22
Repairs and maintenance		63		22
- Plant & machinery	3		1	
- Vehicles	2		7	
- Others	58		14	
Foreign exchange (gain) / loss		23		20
Insurance		26		16
Charging infrastructure maintenance charges		45		14
Assets written off / scrapped (net)		101		18
Rates and taxes		19		3
Loss on investments carried at fair value through profit or loss		5		-
Payment to auditors				-
- Statutory audit fee and others		3		2
Miscellaneous expenses		92		90
TOTAL		**5,372**		**1,762**

*Consultants fees is net of capitalisation. 2022-23: Rs. 18 (2021-22: Rs 51)

**Consumables is net of capitalisation. 2022-23: Rs. 36 (2021-22: Rs 46)

***Fair valuation of right to subscribe outstanding as at the year end.

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

Note - 32 FAIR VALUE MEASUREMENT

Fair Valuation Techniques and Inputs used :

(Amount in Rs. millions)

Element in Financial Statement	Classification	Fair Value as at		Fair Value Hierarchy	Valuation techniques used	Significant unobservable input
		31 March 2023	31 March 2022			
(i) Investments in mutual funds	FVTPL	2,859	373	Level 1	At Market Prices	-
(ii) Investments in equity	FVTPL	-	0	Level 3	At Market Prices	-
(iii) Stock Appreciation rights	FVTPL	415	175	Level 3	At Market Prices	-
(iv) Right to subscribe	FVTPL	617	49	Level 3	At Market Prices	-
(v) Security Deposits	Amortised Cost	121	77	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 - 33 TERMS OF BORROWING

(Amount in Rs. millions)

Particulars	Lender	Sanction Amount	Outstanding Amount	Term (years)	Interest	No. of instalments outstanding	Primary security
Secured Loans - Long term	Hero FinCorp Ltd	50	3	5 Years	12.00%	2 months	Exclusive charge on shares of the Company held by promoters First pari passu charge on movable fixed assets of the Company Cash margin @20% of outstanding amount Second charge over the current assets of the Company
		160	12	5 Years	12.00%	3 months	
		150	29	6 Years	12.00%	8 months	
		250	54	6 Years	12.00%	9 months	
		750	246	5 Years	12.00%	14 months	
			40	5 Years	12.00%	15 months	
		800	89	2 Years	12.00%	3 months	
			71	2 Years	12.00%	4 months	
		500	93	3 Years	12.00%	6 months	
		1,500	1,481	2 Years	13.00%	24 months	
Secured Loans - Long term	Axis Bank	270	197	5 Years	9.25%	35 months	Book debts; floating charge; movable property (not being pledge); fixed deposit
Secured Loans - Short term	Axis Bank	2,250	1,841	6 Months	10.65%	Repayable at the end of term	Charge on all current assets; fixed deposit; brand, trademark, patent, licence under a patent.
Non convertible debentures	InnoVen Capital India Fund	500	344	16 Months	14.50%	11 months	First pari passu charge on non-current fixed assets (existing) & existing & future intangibles Second charge over existing and future Current Assets
Loan against Import (LAI)	Hongkong and Shanghai Banking Corporation Limited	1,500	202	120 days	7.41%	Repayable at the end of term	Charge movable property-inventory; trademarks; licence; Copyright; Designs; Intangible-others; Book debts; Deposits @25% of sanction amount
Working Capital Drawing Loan			150	1 Months	9.90%		

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Note - 34 OPERATING SEGMENTS

The Chief Executive Officer is considered to be the Company's Chief Operating Decision Maker ('CODM'). 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 allocating 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 - 35 EMPLOYEE BENEFITS
(a) Defined Contribution Plan
The Company's contribution to Provident Fund aggregating Rs. 89 millions (2021-22:Rs. 38 millions) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined benefit plans – as per actuarial valuation as on **(Amount in Rs. millions)**

Particulars	Gratuity	
	31 March 2023	**31 March 2022**
A. Components of Employer Expense		
Current Service Cost	45	16
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	4	3
Components of defined benefit costs recognised in profit or loss	49	19
B.Remeasurement effects recognised in Other Comprehensive Income		
Actuarial gains and loss arising form changes in financial assumptions	(41)	(2)
Actuarial gains and loss arising form experience adjustments	35	7
Others (Actuarial gains and loss arising form changes in demographic assumptions)	-	-
Components of defined benefit costs recognised in other comprehensive income	(6)	5
Total	43	24
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31 March		
1. Present value of defined benefit obligation as at 31st March	103	66
2. Fair value of plan assets as at 31st March	-	-
3. Surplus/(Deficit)	**(103)**	**(66)**
4. Current portion of the above	(11)	(5)
5. Non current portion of the above	(92)	(61)

(Amount in Rs. millions)

II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	66	46
2. Expenses Recognised in statement of Profit and Loss		
- Current Service Cost	45	16
- Interest Expense (Income)	4	3
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	35	7
ii. Financial Assumptions	(41)	(2)
4. Benefit payments	(6)	(3)
5. Present value of defined benefit obligation at the end of the year	**103**	**66**

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	**Decrease in assumption**
Discount rate	2023	100bps	(6)	7
	2022	100bps	(4)	5
Salary growth rate	2023	100bps	6	(5)
	2022	100bps	3	(3)
Attrition rate	2023	25%	(6)	7
	2022	25%	(8)	12

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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.

(Amount in Rs. millions)

Maturity profile of defined benefit obligation:	As at 31 March 2023	As at 31 March 2022
Within 1 year	11	5
2-5 year	57	27
5 years and above	109	78

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 6.03 years (2022: 4.48 years)

VIII. Experience Adjustments :	Year Ended	
	31 March 2023	31 March 2022
	Gratuity	
1. Defined Benefit Obligation	103	66
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	103	66
4. Experience adjustment on plan liabilities [(Gain)/Loss]	35	7
5. Experience adjustment on plan assets [Gain/(Loss)]	-	-

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

Particulars	Gratuity	
	Valuation as at	
	31 March 2023	31 March 2022
Discount rate(s)	7.40%	6.03%
Expected return on assets	0.00%	0.00%
Expected rate(s) of salary increase	10.00%	15.00%
Attrition rate	18.00%	18.00%

(c) Actuarial Assumptions for Long-term Compensated Absence

Particulars	Valuation as at	
	31 March 2023	31 March 2022
Discount rate(s)	7.40%	6.03%
Salary escalation Rate	10.00%	15.00%
Attrition Rate	18.00%	18.00%
Charge in the Statement of Profit and Loss	52	23
Liability at the year end	115	73

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Note - 36 RELATED PARTY DISCLOSURES
Related Parties
Party which has significant influence
1. Hero MotoCorp. Ltd
2. Sachin Bansal (upto 17th May 2022)

Party over which Hero MotoCorp. Ltd has signficant influence
1. Hero FinCorp Limited (HFCL)

Key Managerial Personnel
1. Tarun Sanjay Mehta - Director
2. Swapnil Babanlal Jain - Director
3. Reeta Nathwani - Director (upto 29 November 2022)
4. Niranjan Kumar Gupta - Director
5. Nilesh Shrivastava - Director (w.e.f. 22 July 2022)
6. Pankaj Sood - Director (w.e.f. 11 November 2022)
7. Ram Kuppuswamy - Director (w.e.f. 27 January 2023)
8. Deepak Jain - Chief Financial Officer
9. Raj Kiran Sitaramu Badavanahalli - Company Secretary (upto 31 July 2022)
10. Nakul Upadhyaya - Company Secretary (w.e.f. 01 August 2022 upto 10 November 2022)
11. Puja Aggarwal - Company Secretary (w.e.f. 26 April 2023)

Nature of transactions with Related Parties
Details of transaction between the Company and its related parties are disclosed below: *(Amounts In Rs millions)*

Particulars	For the year ended	Hero Moto Corp. Ltd.	Hero FinCorp Limited	Sachin Bansal	KMP of the Company
Issue of Equity shares including securities premium*	31 March 2023	-	-	-	-
	31 March 2022	0	-	0	-
Issue of Series E Compulsorily Convertible preference shares including securities premium	31 March 2023	2,625	-	-	-
	31 March 2022	-	-	-	-
Issue of Series E Compulsorily Convertible preference shares on conversion of Compulsorily Convertible debentures	31 March 2023	1,500	-	-	-
	31 March 2022	-	-	-	-
Issue of Compulsorily Convertible debentures including securities premium	31 March 2023	-	-	-	-
	31 March 2022	1,500	-	-	-
Term loan taken	31 March 2023	-	1,500	-	-
	31 March 2022	-	1,300	-	-
Repayment of term loan	31 March 2023	-	1,319	-	-
	31 March 2022	-	460	-	-
Interest on Term loan**	31 March 2023	-	175	-	-
	31 March 2022	-	253	-	-
Deposit given to / (refunded by) lender	31 March 2023	-	295	-	-
	31 March 2022	-	-	-	-
Managerial remuneration paid to KMPs***	31 March 2023	-	-	-	433
	31 March 2022	-	-	-	40

Nature of balances with Related Parties

Particulars	For the year ended	Hero Moto Corp. Ltd.	HeroFin Corp Limited	Sachin Bansal	KMP of the Company
Term Loan	31 March 2023	-	2,140	-	-
	31 March 2022	-	1,944	-	-
Interest accrued on long term debts	31 March 2023	-	5	-	-
	31 March 2022	-	8	-	-
Deposit with lender	31 March 2023	-	350	-	-
	31 March 2022	-	55	-	-

*Excludes Rs. NIL (PY: Rs. 48,900) per share securities premium on fair valuation of right to subscribe.
**Excludes Rs. 17 millions (PY: Rs.10 millions) charged to statement of profit & loss on account of effective interest rate calculation as per Ind AS.
***The Acturial Valuation Report & ESOP valuation is taken for the entire Company with out any bifurcation to any specific employee. Hence it is not included in related party transaction.

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Note - 37 CONTINGENT LIABILITIES AND COMMITMENTS *(Amounts In Rs millions)*

(A) Contingent liabilities (to the extent not provided for)

Particulars	Amount in Rs.	
	As at 31 March 2023	As at 31 March 2022
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt # (Custom Duties, GST & litigation)	3	2
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	280	209

(B) The Company has received a show cause notice ("SCN") dated March 29, 2023 from IFCI Limited ("IFCI") on behalf of the Ministry of Heavy Industries ("MHI") seeking reply in relation to certain matters under the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India ("FAME") Scheme II and Phased Manufacturing Program Guidelines. The Company has submitted a detailed response to Automotive Research Association of India ("ARAI") dated April 12, 2023.

The Company is under discussion with the MHI and Automotive Research Association of India ("ARAI"), and believes that the submitted response adequately addresses the contentions raised in the SCN. The Company does not expect any significant penalties/fines/demand arising out of above. [Also {refer note 12(a)}]

Note - 38
DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
	Rs.	Rs.
(i) Principal amount remaining unpaid to MSME suppliers as on	236	95
(ii) Interest due on unpaid principal amount to MSME suppliers as on	13	7
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	6	4
(v) The amount of interest accrued and remaining unpaid as on	13	7
(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. This has been relied upon by the auditors.

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

Note - 39 CAPITAL MANAGEMENT *(Amounts In Rs millions)*

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 requisite resources for future infrastructure requirements

For the purpose of debt to total equity ratio, debt considered is long-term, short-term borrowings and current and non-current lease liabilities. Total equity comprise of issued share capital and all other equity reserves.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Total equity attributable to the equity shareholders	6,137	2,249
Total equity attributable to the equity shareholders	**6,137**	**2,249**
As a percentage of total capital	48%	38%
Long term borrowings including current maturities	2,315	2,298
Short term borrowings	2,193	687
Non Convertible Debentures	344	-
Lease liabilities	1,864	665
Total debt	**6,716**	**3,650**
As a percentage of total capital	52%	62%
Total capital (equity and debt)	**12,853**	**5,899**

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 continuously monitor these risks and other developments to identify significant uncertainties.

Risk	Exposure Arising	Measurement	Management
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 equivalents.
Market risk - Currency Risk - Interest Rate risk - Other Price risk	Financial Assets and liabilities not in INR.	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:

(Amounts In Rs millions)

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	-	-	-	-
Gross carrying amount	-	-	91	**91**
Loss allowance provision	-	-	(91)	**(91)**

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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 contractual maturity is based on the earliest date on which the Company may be required to pay.

(Amounts In Rs millions)

Particulars	Less than 1 Year	1-5 Years	5 years and above
	Rs	Rs	Rs
Financial liabilities			
31 March 2023			
Trade Payable	3,847	-	-
Borrowings	3,703	1,205	-
Lease liabilities	377	1,597	1,215
Other financial liabilities	1,383	-	-
Total	**9,310**	**2,802**	**1,215**
31 March 2022			
Trade Payable	1,209	-	-
Borrowings	1,897	1,088	-
Lease liabilities	135	543	426
Other financial liabilities	532	-	-
Total	**3,773**	**1,631**	**426**

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. 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.

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

Foreign currency exposure as at March 31, 2023	USD	CHF	EURO
Trade payables	69,433	835	450
Trade receivables	-	-	-
Borrowings (Loan against Import)	24,54,400	-	-
Total	**25,23,833**	**835**	**450**

Foreign currency exposure as at March 31, 2022	USD	CHF	EURO
Trade payables	44,303	-	1,237
Trade receivables	-	-	-
Borrowings (Loan against Import)	-	-	-
Total	**44,303**	**-**	**1,237**

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Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. (+)(-)5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens (+)(-)5% against the relevant currency. For a 5% weakening of the rupees against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive or negative.

Currency	As at 31 March 2023 (Amounts In Rs millions)		As at 31 March 2022 (Amounts In Rs millions)	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Trade payable				
USD	0	(0)	0	(0)
EURO	0	(0)	0	(0)
CHF	0	(0)	-	-
Borrowings				
USD	10	(10)	-	-

Note - 40 EARNINGS PER SHARE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit / (loss) for the year attributable to owners of the Company	(8,645)	(3,441)
Less: Preference dividend and tax thereon	-	-
Profits used in the calculation of basic earnings per share from continuing operations	(8,645)	(3,441)
Weighted average number of equity shares	6,72,673	4,80,972
Earnings/ (Loss) per share from continuing operations - Basic and diluted (in Rs.)	(12,852)	(7,154)

Note - 41 INCOME TAX

In view of accumulated losses, there are no current tax expenses arising during the year ended March 31, 2023 and March 31, 2022. Accordingly, the disclosure of reconciliation of tax expense with accounting profit/(loss) multiplied by statutory income tax rate is not required.

Deferred Tax

The Company has unrecognised deferred tax asset on carried forward loss (including unabsorbed depreciation) of Rs. 5,301 millions (2022: Rs. 2,956 millions). In view of the accumulated losses and the losses incurred during the current year, no deferred tax asset has been recognised at the year end as there is no reasonable certainty that sufficient future taxable income will be available against such deferred tax asset can be realised.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax on unused Tax losses (revenue in nature)	4,581	2,431
Deferred tax on unabsorbed Depreciation (will never expire)	720	525
Total	**5,301**	**2,956**

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

Note - 42 Revenue from contracts with customers
The Company has evaluated the risk of non realisation of dues and no impairment loss is required at this stage considering the fact that customers pay in advance. Revenue from operations significantly represent sale of electric two wheeler vehicles to customers at a fixed price contract. Primary geographical region for the revenue is India. The timing of transfer of goods is at a point in time, which coincides to delivery of vehicle/services to customers.

Currently CODM looks at the overall business as one single unit for revenue generation and resource allocation and hence no separate disclosure on segment reporting is required.

There are no revenue recognised, which were included in the contract liability at the beginning of the period. There are no revenue recognised in the reporting period from performance obligations satisfied or partially satisfied in previous periods, changes in transfer price.

As a part of pre-customer delivery, the charging infrastructure of the two wheeler is installed by the Company by involvement of another third party sub-contractor.

All revenue contracts executed are on non-returnable basis. In case of any customer advances received, entity has a policy of refunds before customer delivery in case of cancellation of sales order. There are no significant judgements used in determining timing of satisfaction of performance obligations.

A. Disaggregated revenue information
The table below presents disaggregated revenue from contract with customers for the year ended March 31, 2023 and March 31, 2022. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	17,814	4,085
b. Exports	22	-
Total Revenue from Operations	**17,836**	**4,085**
C. Reconciliation of Gross Revenue from Contracts With Customers		
Gross Revenue	17,858	4,093
Less : Deferred revenue	22	8
Net Revenue recognised from Contracts with Customers	**17,836**	**4,085**
D. Deferred Revenue		
Balance as at the beginning of the year	8	12
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	(8)	(12)
Increases due to cash received, excluding amounts recognised as revenue during the year	22	8
Balance as at end of the year	**22**	**8**

The Company sells goods on advance payment basis. Hence, there is no significant financing component in any transaction with the customers.

Note - 43
The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on 13 November 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Note - 44
On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023.

i. Ind AS 101 – First time adoption of Ind AS
ii. Ind AS 102 – Share-based payment
iii. Ind AS 103 – Business Combinations
iv. Ind AS 107 – Financial Instruments: Disclosures
v. Ind AS 109 – Financial Instruments
vi. Ind AS 115 – Revenue from Contracts with Customers
vii. Ind AS 1 – Presentation of Financial Statements
viii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
ix. Ind AS 12 – Income Taxes
x. Ind AS 34 – Interim Financial Reporting

The Company is in the process of evaluating the impact of the above amendments on the Company's financial statements.

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

Note - 45 Additional Regulatory Information
Accounting Ratios

Particulars	31 March 2023	31 March 2022	% change
(i) Current ratio			
Current Assets (A)	13,083	2,926	
Current Liabilities (B)	10,195	3,942	
Current Ratio (A/B)	**1.28**	**0.74**	**73%**

Note: Current ratio has increased during the year due to increase in inventories, short term investments of funding received during the year and balance with government authorities.

Particulars	31 March 2023	31 March 2022	% change
(ii) Debt to Equity ratio			
Long term borrowings	1,205	1,088	
Short term borrowings	3,647	1,897	
Lease liabilities - Current	178	68	
Lease liabilities - Non Current	1,686	597	
Total Debt (A)	**6,716**	**3,650**	
Shareholders' Equity (B)	**6,137**	**2,249**	
Debt to Equity ratio (A/B)	**1.09**	**1.62**	**-33%**

Note: Decrease in debt to equity ratio during the year is due to additional shares issued during the year.

(iii) Debt service coverage ratio
Note: Ratio is not presented since the Company has incurred losses during the current and previous year.

Particulars	31 March 2023	31 March 2022	% change
(iv) Return on Equity			
Profit / (Loss) after tax	(8,645)	(3,441)	
Less:			
Preference Dividend	-	-	
Net Profit / (Loss) after tax (A)	**(8,645)**	**(3,441)**	
Opening Shareholder's equity	2,249	3,762	
Closing shareholders' equity	6,137	2,249	
Average shareholder's equity (B)	**4,193**	**3,005**	
Return on Equity (A/B)	**-206%**	**-114%**	**80%**

Note: Decrease in return on equity is due to losses incurred during the year, despite issue of equity shares and compulsory convertible preference shares at premium.

Particulars	31 March 2023	31 March 2022	% change
(v) Inventory turnover ratio			
Cost of goods sold (A)	**16,261**	**3,794**	
Opening inventory	607	567	
Closing inventory	2,574	607	
Average inventory (B)	**1,591**	**587**	
Inventory turnover ratio (A/B)	**10.22**	**6.46**	**58%**

Note: Improvement in inventory turnover ratio is due to increased operations and comparable reduction in inventory held in stock during the year.

(vi) Trade Receivable turnover ratio
Note: Trade Receivable turnover ratio is not applicable since the Company sells goods / services on advance basis. Outstanding trade receivables are mainly on account of receivable on debit notes raised on dealers.

Particulars	31 March 2023	31 March 2022	% change
(vii) Trade Payable turnover ratio			
Total purchases & other expenses (A)	**23,600**	**5,534**	
Opening payable	1,209	676	
Closing payable	3,847	1,209	
Average accounts payable (B)	**2,528**	**943**	
Trade Payable turnover ratio (A/B)	**9.34**	**5.87**	**59%**

Note: Consumption of higher material on account of increased volume of operations.

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

Particulars	31 March 2023	31 March 2022	% change
(viii) Net capital turnover ratio			
Net sales (A)	**17,836**	**4,085**	
Current assets	13,083	2,926	
Current liabilities	10,195	3,942	
Working capital (B)	**2,888**	**(1,016)**	
Net capital turnover ratio (A/B)	**6.18**	**(4.02)**	**-254%**

Note: Increase in working capital turnover ratio is due to increase in net working capital on account of increase in inventories, short term investment of additional funding received during the year, accumulation of balances with government authorities and is offset by increase in trade payables and short term borrowings.

Particulars	31 March 2023	31 March 2022	% change
(ix) Net Profit / (Loss) ratio			
Net Profit / (Loss) (A)	(8,645)	(3,441)	
Net sales (B)	17,836	4,085	
Net Profit / (Loss) ratio (A/B)	**-48%**	**-84%**	**-42%**

Note: Increase in net Profit / (Loss) ratio is due to increase in operations of the Company during the year and related economies of scale.

Particulars	31 March 2023	31 March 2022	% change
(x) Return on capital employed			
Profit / (Loss) before taxes	(8,645)	(3,441)	
Add:			
Depreciation and amortization	1,128	484	
Interest cost	596	400	
Earning before interest, depreciation and taxes (A)	**(6,921)**	**(2,557)**	
Tangible net worth	4,718	(82)	
Total Debt	6,716	3,650	
Capital employed (B)	**11,434**	**3,568**	
Return on capital employed (A/B)	**-61%**	**-72%**	**-16%**

Particulars	31 March 2023	31 March 2022	% change
(xi) Return on Investment			
Capital Gain / (Loss) & Dividend	123	20	
Mark to Market valuation	-	-	
Profit / (Loss) on Investment in Mutual Funds (A)	**123**	**20**	
Opening Investment	569	1,120	
Closing Investment	3,055	569	
Average Investment in Mutual Funds (B)	**1,812**	**844**	
Return on Investment in Mutual Funds (A/B)	**7%**	**2%**	**187%**

Note: Increase in return on investment in Mutual Funds is due to short term investment of additional funding received during the year.

Note 46 : Other statutory disclosures

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall;
i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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Note - 47

a. Details of the stock option plans of the Company

Areas	Employee stock option plan	Management stock option plan	Founders stock option plan
Exercise of options while in employment	Liquidity Events /Cash settlement / Buy back / Purchase by Investor / IPO	Exit Event or IPO	Prior to a Liquidity event
Resignation / Termination other than due to Breach	Allowed to carry vested options till liquidity event	Options Lapse	Allowed to carry vested options till liquidity event
Retirement	Allowed to carry vested options till liquidity event	Not defined	Not defined
Death	Unvested option shall be vested and Allowed to carry vested options till liquidity event	Allowed to carry vested options till exit event	All options get vested. Allowed to carry till liquidity event
Termination due to permanent incapacity	Unvested option shall be vested and Allowed to carry vested options till liquidity event	Not defined	All options get vested. Allowed to carry till liquidity event
Abandonment	Vested and unvested options shall be cancelled	Options Lapse	Options Lapse
Any other reasons	At the discretion of the Board	Not defined	At the discretion of the Board
Reconstruction	As defined in Liquidity event	As defined in Exit event	As defined in Liquidity event
Lapse	Cash settlement / Buy back / Purchase by Investor / IPO/ Abandonment	Resignation/ Termination due to breach	Termination due to breach
Lock in Period	Not applicable	Not defined	Not defined

The activity of the Plans are as follows:

Particulars	Shares arising out of Employee stock option plan		Shares arising out of Management stock option plan		Shares arising out of Founders stock option plan	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning	30,891	22,929	-	-	-	-
Granted/adjustment	10,725	9,515	30,764	-	3,476	-
Cancelled	(1,231)	(1,553)	-	-	-	-
Cash settled	(1,550)	-	-	-	-	-
Outstanding at the end of the year	**38,835**	**30,891**	**30,764**	-	**3,476**	-

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

Particulars	Employee stock option plan		Management stock option plan *		Founders stock option plan	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Weighted average share price (Rs)	20,200 to 73,824	20,200 to 73,824	52,291	-	48,926	-
Exercise Price (Rs)	1	1	1	-	1	-
Expected Volatility	40%	50%	54%	-	40%	-
Expected life of the Options	5-6 years	5-8 years	4.59 years	-	1.5 years	-
Expected Dividends (%)	0%	0%	0%	-	0%	-
Risk free interest rate (%)	6.32% - 6.63%	5.42%- 6.16%	7%	-	4.76%	-

* Value of share price is calculated as per Back Solve method and number of units that are expected to vest is calculated using Monte Carlo simulation.

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b. Details of the cash settled share based payment plans of the Company

Areas	Stock Appreciation Rights Plan 2020 ("Ather SARs 2020")	Founders stock option plan
Exercise of options while in employment	Cash Settlement on Liquidity Events	Prior to a Liquidity event
Resignation / Termination other than due to Breach	Allowed to carry vested SARs till liquidity event	Allowed to carry vested options till liquidity event
Retirement	Allowed to carry vested SARs till liquidity event	Not defined
Death	Unvested SARs shall be vested and Allowed to carry vested SARs till liquidity event	All options get vested. Allowed to carry till liquidity event
Termination due to permanent incapacity	Unvested SARs shall be vested and Allowed to carry vested SARs till liquidity event	All options get vested. Allowed to carry till liquidity event
Abandonment	Vested and unvested options shall be cancelled	Options Lapse
Any other reasons	At the discretion of the Committee	At the discretion of the Board
Reconstruction	As defined in Liquidity event	As defined in Liquidity event
Lapse	Resignation/ Termination due to breach/	Termination due to breach
Lock in Period	Not applicable	Not defined

The activity of the Plans are as follows:

Particulars	Shares arising out of Ather SARs 2020		Shares arising out of Founders stock option plan	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning	3,588	3,343	-	-
Granted/adjustment	-	245	1,738	-
Cancelled	-	-	-	-
Outstanding at the end of the year	**3,588**	**3,588**	**1,738**	**-**

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

Note 48
As at 31st March 2022 there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 49
As of balance sheet date, the Company has an aggregate sum of Rs. Nil (PY Rs. 6.08 millions equivalent to USD 78,390 and EURO 7,367) payable to overseas Companies towards import of goods and services which are outstanding beyond the prescribed time limit for payment as per the extant Foreign Exchange Management Act (FEMA) regulations.

Note - 50
The financial statements are presented in Rs. in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest Rs. in million are given below as applicable:

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 in Rs	No. of Shares	Amount in Rs
As at 31 March 2021	1,05,805	1,05,705	3,530	1,30,610
Changes in equity share capital during the year	5,025	5,025	-	-
As at 31 March 2022	1,10,830	1,10,730	3,530	1,30,610
Changes in equity share capital during the year	200	200	-	-
As at 31 March 2023	1,11,030	1,10,930	3,530	1,30,610

Statement of Changes in Equity: B.Compulsorily convertible preference shares

Particulars	Compulsorily convertible preference	
	No. of Shares	Amount in Rs
As at 31 March 2021	74,732	74,732
Changes in equity share capital during the year	-	-
As at 31 March 2022	74,732	74,732
Changes in equity share capital during the year	-	-
As at 31 March 2023	74,732	74,732

Statement of Cash Flows

Particulars	As at 31 March 2023 Amount (Rs.)		As at 31 March 2022 Amount (Rs.)	
C. Cash flows from financing activities				
Proceeds from issue of equity shares		-		5,025

Other Financial Assets (Refer Note - 3)

Particulars	As at 31 March 2023 Amount (Rs.)		As at 31 March 2022 Amount (Rs.)	
Investments in equity instruments (unquoted)				
Investments in Equity shares of M/S Autovert Technologies Private Limited (Nil (PY 570) equity shares of Rs. 10 each)		-		5,700

Cash and Cash Equivalents (Refer Note - 8)

Particulars	As at 31 March 2023 Amount (Rs.)		As at 31 March 2022 Amount (Rs.)	
Cash in hand		-		20,537

Trade Payables (Refer Note - 20)
(c) Relationship with struck off Companies

Name of struck off Company	Transactions during the year 31 March 2023	Transactions during the year 31 March 2022	Balance outstanding as at 31 March 2023	Balance outstanding as at 31 March 2022
Touch Stream Solutions Private Ltd.	-	10,730	-	-
Chai Kahani Cafes And Services P. Ltd.	35,746	-	-	-

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Related Party Disclosures (Refer Note - 36)

Particulars	For the year ended	Hero Moto Corp. Ltd.	Hero FinCorp Limited	Sachin Bansal	KMP of the Company
Issue of Equity shares including securities premium	31 March 2023	-	-	-	-
	31 March 2022	998	-	4,027	-

Capital management - Currency risk (Refer Note - 39)

Foreign currency sensitivity	As at 31 March 2023 (Amount in Rs.)		As at 31 March 2022 (Amount in Rs.)	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Trade payable				
USD	2,85,428	(2,85,428)	1,68,152	(1,68,152)
EURO	2,016	(2,016)	5,201	(5,201)
CHF	3,745	(3,745)	-	-

Note 51
Previous year's figures have been regrouped or reclassified wherever necessary to correspond to the current year's grouping / classification and disclosure.

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

Tarun Sanjay Mehta
Director
DIN: 6392463

Swapnil Babanlal Jain
Director
DIN: 6682759

Deepak Jain
Chief Financial Officer

Puja Aggarwal
Company Secretary

Date: 26 April 2023
Place: Bangalore

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