

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, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material 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, 2024, and its loss, total comprehensive loss, the changes in equity and its cash flows 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 report including the Annexures to the 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 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles

Deloitte Haskins & Sells

generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 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

Deloitte Haskins & Sells

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 except for not complying with the requirement of audit trail as stated in (i)(vi) below.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls with reference to 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 financial statements.
 - h) 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.

Deloitte Haskins & Sells

- i) 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 35 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 its knowledge and belief, as disclosed in the 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 person(s) or entity(ies), 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 its knowledge and belief, other than as disclosed in the 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 has caused us to believe that the representations 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. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:
 - (i) audit trail feature was not enabled for certain tables and for direct changes at the database level.
 - (ii) In respect of an accounting software operated by a third party software service provider for maintaining payroll records and based on the independent auditor's system and organisation controls report covering the requirement of audit trail, the

Deloitte Haskins & Sells

Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level and the same has operated during the period April 1, 2023 till December 31, 2023. No instance of audit trail feature being tampered with. In the absence of an independent auditor's system and organisation controls report covering the audit trail requirement for the remaining period, we are unable to comment whether the audit trail feature of the said software was enabled and operated post December 31, 2023, for all relevant transactions recorded in the software or whether there was any instance of the audit trail feature been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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's Registration No. : 008072S

Gurvinder
Singh Roop
Singh Matta

Digitally signed by
Gurvinder Singh Roop
Singh Matta
Date: 2024.05.06 17:43:54
+05'30'

Gurvinder Singh

(Partner)

(Membership No. 110128)

(UDIN: 24110128BKBGWX4059)

Place: Bengaluru

Date: May 06, 2024

Deloitte Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements 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 financial statements of Ather Energy Private Limited ("the Company") as of March 31, 2024 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 the 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 financial statements of the Company. 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to 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 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

Deloitte Haskins & Sells

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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to 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's Registration No. : 008072S

Gurvinder
Singh Roop
Singh Matta

Digitally signed by
Gurvinder Singh
Roop Singh Matta
Date: 2024.05.06
17:45:26 +05'30'

Gurvinder Singh

(Partner)

(Membership No. 110128)

(UDIN: 24110128BKBGWX4059)

Place: Bengaluru

Date: May 06, 2024

Deloitte Haskins & Sells

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 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.
- (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right of use assets as at the balance sheet date, the lease agreements are held in the name of Company, where the Company is lessee in the agreement.
- (d) The Company has not revalued any of its property, plant and equipment including right of use asset and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the 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 nature of its operations. For the stock held with third party at the year end, written confirmation has been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10 % or more in the aggregate for each class of inventories noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time 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 or statements comprising stock statements 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.

Deloitte Haskins & Sells

(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) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of manufacturing of one of the products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

- a. Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in Millions)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016-17	0.12*
The Customs Act, 1962	Duty of Custom	Customs Excise and Service Tax Appellate Tribunal	FY 2018-19	0.50
The Customs Act, 1962	Duty of Custom	Customs Excise and Service Tax Appellate Tribunal	FY 2018-19 to FY 2019-20	1.58
The Integrated Goods and Services Tax Act, 2017	The Integrated Goods and Services Tax	Commissioner of State Taxes (Appeals)	FY 2019-20	1.46

*represent penalty amount

(viii) 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. 1,035 Millions outstanding as at March 31, 2024 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 loans and interest thereon have not been demanded for repayment during the financial year. Considering the above, in

Deloitte Haskins & Sells

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

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

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(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 2023 and the draft of the internal audit reports were issued after the balance sheet date covering the period October 2023 to March 2024 for the period under audit.

(XV) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of 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.

Deloitte Haskins & Sells

- (XVI) (a) 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.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (XVII) The Company has incurred cash losses amounting to Rs. 7,573 during the financial year covered by our audit and Rs. 5,341 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 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. 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 is having net worth of rupees five hundred crore or more during the immediately preceding financial year, hence the provisions under Section 135 of the Act is applicable to the Company during the year. However, considering that the Company has been incurring losses in the preceding three financial year, no amount is required to be spent by the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. : 008072S

Gurvinder
Singh Roop
Singh Matta

Digitally signed by
Gurvinder Singh Roop
Singh Matta
Date: 2024.05.06
17:49:06 +05'30'

Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN: 24110128BKBGWX4059)

Place: Bengaluru
Date: May 06, 2024

Ather Energy Private Limited
Balance Sheet as at 31 March 2024
CIN: U40100KA2013PTC093769

(Amount in millions of INR unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	2(a)	1,871	1,818
Right of use assets	2(b)	1,489	1,844
Capital work-in-progress	2(c)	0	9
Intangible assets	2(d)	1,229	1,783
Intangible assets under development	2(e)	706	365
Financial assets			
(i) Other financial assets	3	153	177
Other non-current assets	4	1,393	689
TOTAL - NON CURRENT ASSETS		6,841	6,685
CURRENT ASSETS			
Inventories	5	1,167	2,574
Financial assets			
(i) Investments	6	2,922	2,859
(ii) Trade receivables	7	16	12
(iii) Cash and cash equivalents	8	2,279	826
(iv) Other balances with banks	9	2,199	936
(v) Loans	10	2	-
(vi) Other financial assets	3	1,170	3,721
Current tax assets	11	24	23
Other current assets	4	2,515	2,132
TOTAL - CURRENT ASSETS		12,294	13,083
TOTAL ASSETS		19,135	19,768
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	0	0
Instrument entirely equity in nature	12	8	6
Other equity	13	5,451	6,131
TOTAL - EQUITY		5,459	6,137
LIABILITIES			
NON CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	14	309	1,205
(ii) Lease liabilities	15	1,419	1,686
(iii) Other financial liabilities	16	103	59
Provisions	17	702	486
Other non-current liabilities	18	379	-
TOTAL - NON CURRENT LIABILITIES		2,912	3,436
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	14	2,840	3,647
(ii) Lease liabilities	15	209	178
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	19	183	236
(B) Total outstanding dues of creditors other than micro and small enterprises.	19	3,844	3,601
(iv) Other financial liabilities	16	1,348	1,383
Other current liabilities	18	1,533	563
Provisions	17	807	587
TOTAL - CURRENT LIABILITIES		10,764	10,195
TOTAL EQUITY AND LIABILITIES		19,135	19,768

The accompanying notes 1-51 form an integral part of these financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration no.008072S

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

Gurvinder Singh Roop Singh Matta
Digitally signed by Gurvinder Singh Roop Singh Matta
Date: 2024.05.06 17:32:51 +05'30'
Gurvinder Singh
Partner
Membership No. 110128

TARUN SANJAY MEHTA
Digitally signed by TARUN SANJAY MEHTA
Date: 2024.05.06 14:38:23 +05'30'
Tarun Sanjay Mehta
Director
DIN: 6392463

SWAPNIL BABANLAL JAIN
Digitally signed by SWAPNIL BABANLAL JAIN
Date: 2024.05.06 14:44:38 +05'30'
Swapnil Babanlal Jain
Director
DIN: 6682759

SOHIL DILIPKUMAR PAREKH
Digitally signed by SOHIL DILIPKUMAR PAREKH
Date: 2024.05.06 15:23:00 +05'30'
Sohil Parekh
Chief Financial Officer

Puja Aggarwal
Digitally signed by Puja Aggarwal
Date: 2024.05.06 14:49:02 +05'30'
Puja Aggarwal
Company Secretary

Date: 06 May 2024
Place: Bengaluru

Date: 06 May 2024
Place: Bengaluru

Ather Energy Private Limited
Statement of Profit and Loss for the year ended 31 March 2024
CIN: U40100KA2013PTC093769

(Amount in millions of INR unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue from operations	20	17,538	17,809
II Other income	21	353	209
III Total income (I + II)		17,891	18,018
IV Expenses			
Cost of material consumed	22	15,792	15,370
Purchase of stock-in-trade	23	279	923
Change in inventories of finished goods, stock-in-trade and work-in-progress	24	247	(339)
Employee benefits expense	25	3,692	3,348
Finance costs	26	890	650
Depreciation and amortisation expense	27	1,467	1,128
Other expenses	28	4,375	5,583
Total expenses (IV)		26,742	26,663
V Loss before exceptional items and tax (III - IV)		(8,851)	(8,645)
VI Exceptional items	29	1,746	-
VII Loss before tax (V - VI)		(10,597)	(8,645)
VIII Tax expense			
(1) Current tax	32	-	-
(2) Deferred tax	32	-	-
Total tax expense			
IX Loss for the year (VII - VIII)		(10,597)	(8,645)
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans	34	(26)	6
Income tax relating to above items		-	-
XI Total comprehensive loss for the year (IX+X)		(10,623)	(8,639)
XII Loss per equity share in INR			
(1) Basic	31	(12,374)	(12,580)
(2) Diluted		(12,374)	(12,580)

The accompanying notes 1-51 form an integral part of these financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration no.008072S

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

Gurvinder Singh Roop Singh Matta
Digitally signed by Gurvinder Singh Roop Singh Matta
Date: 2024.05.06 17:35:34 +05'30'

Gurvinder Singh
Partner
Membership No. 110128

Date: 06 May 2024
Place: Bengaluru

TARUN SANJAY MEHTA
Digitally signed by TARUN SANJAY MEHTA
Date: 2024.05.06 14:38:41 +05'30'

Tarun Sanjay Mehta
Director
DIN: 6392463

Date: 06 May 2024
Place: Bengaluru

SWAPNIL BABANLAL JAIN
Digitally signed by SWAPNIL BABANLAL JAIN
Date: 2024.05.06 14:44:08 +05'30'

Swapnil Babanlal Jain
Director
DIN: 6682759

SOHIL DILIPKUMAR PAREKH
Digitally signed by SOHIL DILIPKUMAR PAREKH
Date: 2024.05.06 15:23:45 +05'30'

Sohil Parekh
Chief Financial Officer

Puja Aggarwal
Digitally signed by Puja Aggarwal
Date: 2024.05.06 14:49:39 +05'30'

Puja Aggarwal
Company Secretary

Ather Energy Private Limited
Statement of Cash Flows for the year ended 31 March 2024
CIN: U40100KA2013PTC093769

(Amount in millions of INR unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flows from operating activities		
Loss before tax	(10,597)	(8,645)
Adjustments for:		
Depreciation and amortisation expense	1,467	1,128
Warranty cost	429	572
Assets discarded	12	104
Finance costs	890	650
Loss on fair value measurement of financial liabilities	224	568
Allowance for doubtful advance and receivables	58	8
Provision/Liability no longer required written back	(32)	-
Sundry balances written off	6	-
Unrealized foreign exchange loss / (gain)	4	(3)
Share based payment expense	815	885
Interest income	(196)	(82)
Profit on sale of property, plant and equipment	(3)	(3)
Gain on derecognition of right of use assets and lease liabilities on account of termination of leases	-	(6)
Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	(115)	(120)
Operating loss before working capital changes	(7,038)	(4,944)
Changes in working capital:		
(Increase)/decrease in inventories	1,407	(1,968)
(Increase)/decrease in trade receivables	(4)	(2)
(Increase)/decrease in other financial assets	2,512	(3,483)
(Increase)/decrease in other assets	(976)	(1,382)
(Decrease)/increase in trade payables	193	2,635
(Decrease)/increase in other financial liabilities	(48)	(30)
(Decrease)/increase in other liabilities and provisions	1,279	475
Cash used in operations	(2,675)	(8,699)
Income taxes (paid)/ refunds (net)	(1)	(13)
Net cash used in operating activities	(2,676)	(8,712)
B. Cash flows from investing activities		
Capital expenditure on property, plant and equipment and intangible assets, capital work in progress and intangible assets under development including capital advances and payable on purchase of property, plant and equipment.	(1,159)	(1,319)
Proceeds from disposal of property, plant and equipment	3	20
Investments in fixed deposits	(4,385)	(31,367)
Redemption of fixed deposits	3,123	30,743
Investments in mutual funds	(125)	-
Proceeds from sale of mutual funds	-	387
Interest received	262	185
Net cash used in investing activities	(2,281)	(1,351)
C. Cash flows from financing activities		
Proceeds from issue of compulsorily convertible preference shares and equity shares (including security premium)	9,011	11,998
Payment of lease liability	(168)	(121)
Proceeds from non- current borrowings (including current maturities)	1,300	2,000
Repayment of non- current borrowings (including current maturities)	(1,847)	(1,630)
(Repayment)/ Proceeds of current borrowings, net	(1,194)	1,528
Finance cost	(770)	(601)
Net cash generated from financing activities	6,332	13,174
Net increase/ (decrease) in cash and cash equivalents	1,375	3,111
Cash and cash equivalents at the beginning of the year	826	574
Liquid mutual funds	2,859	-
Cash and cash equivalents at the end of the year	5,060	3,685
Reconciliation of cash and cash equivalents		
Cash and bank balances	2,279	826
Liquid mutual funds	2,781	2,859
Total	5,060	3,685

Ather Energy Private Limited
Statement of Cash Flows for the year ended 31 March 2024
CIN: U40100KA2013PTC093769

(Amount in millions of INR unless otherwise stated)

Notes

- The above Statement has been prepared as per Ind AS 7 - Statement of Cash Flows as per indirect method.
- Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below:

Particulars	As at 01 April 2023	Net cash flows	Changes in fair values / Accruals	Unrealised foreign exchange fluctuation	Others*	As at 31 March 2024
Non-current borrowings (including current maturities)	2,659	(547)	2	-	-	2,114
Current borrowings	2,193	(1,194)	33	3	-	1,035
Interest accrued	11	(739)	729	-	-	1
Lease liabilities	1,864	(168)	-	-	(68)	1,628
Total	6,727	(2,648)	764	3	(68)	4,778

*Others includes net remeasurement of lease liability during the year of (INR 68) million

Particulars	As at 01 April 2022	Net cash flows	Changes in fair values / Accruals	Unrealised foreign exchange fluctuation	Others*	As at 31 March 2023
Non-current borrowings (including current maturities)	2,297	370	(8)	-	-	2,659
Current borrowings	687	1,528	(21)	(1)	-	2,193
Interest accrued	14	(535)	532	-	-	11
Lease liabilities	665	(121)	-	-	1,320	1,864
Total	3,663	1,242	503	(1)	1,320	6,727

*Others includes net addition of lease liability during the year of INR 1,320 million

The accompanying notes 1-51 form an integral part of these financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration no.008072S

Gurvinder Singh Roop
Singh Roop
Singh Matta

Digitally signed by Gurvinder Singh Roop
Singh Matta
Date: 2024.05.06 17:36:20 +05'30'

Gurvinder Singh
Partner
Membership No. 110128

Date: 06 May 2024
Place: Bengaluru

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

TARUN
SANJAY
MEHTA

Digitally signed by TARUN
SANJAY MEHTA
Date: 2024.05.06 14:39:08 +05'30'

Tarun Sanjay Mehta
Director
DIN: 6392463

Date: 06 May 2024
Place: Bengaluru

SWAPNIL
BABANLAL
JAIN

Digitally signed by SWAPNIL
BABANLAL JAIN
Date: 2024.05.06 14:43:38 +05'30'

Swapnil Babanlal Jain
Director
DIN: 6682759

SOHIL
DILIPKUMAR
PAREKH

Digitally signed by SOHIL DILIPKUMAR
PAREKH
Date: 2024.05.06 15:24:20 +05'30'

Sohil Parekh
Chief Financial Officer

Puja
Aggarwal

Digitally signed by Puja Aggarwal
Date: 2024.05.06 14:49:58 +05'30'

Puja Aggarwal
Company Secretary

Particulars	Equity Shares of INR 1 each		Equity Shares of INR 37 each	
	No. of Shares	Amount	No. of Shares	Amount
As at 01 April 2022	1,10,830	0	3,530	0
Issue of equity share during the year	200	-	-	-
As at 31 March 2023	1,11,030	0	3,530	0
Issue of equity share during the year	-	-	-	-
As at 31 March 2024	1,11,030	0	3,530	0

B. Instruments entirely equity in nature (compulsorily convertible preference shares)				
Particulars	Compulsorily convertible preference shares of INR 1 each		Compulsorily convertible preference shares of INR 10 each	
	No. of Shares	Amount	No. of Shares	Amount
As at 01 April 2022	74,732	0	2,67,600	3
Issue of compulsorily convertible preference shares during the year	-	-	2,45,148	2
As at 31 March 2023	74,732	0	5,12,748	5
Issue of compulsorily convertible preference shares during the year	-	-	2,22,479	2
As at 31 March 2024	74,732	0	7,35,227	7

C. Instruments entirely equity in nature (compulsorily convertible debentures)		
Particulars	Compulsorily convertible debentures of INR 100 each	
	No. of debentures	Amount
As at 01 April 2022	30,658	3
Conversion of compulsorily convertible debentures during the year	(30,658)	(3)
As at 31 March 2023	-	-
Changes of compulsorily convertible debentures during the year	-	-
As at 31 March 2024	-	-

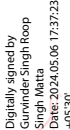
Particulars	Reserves and Surplus			Total
	Retained earnings	Securities Premium	Stock Options Outstanding Account	
As at 01 April 2022	(9,637)	11,522	357	2,242
Loss for the year	(8,645)	-	-	(8,645)
Other Comprehensive income for the year, net	6	-	-	6
Issue of compulsorily convertible preference shares during the year	-	11,989	-	11,989
Issue of equity shares during the year	-	10	-	10
Change against share-based payments	-	-	650	650
Stock options settled during the year (refer note 13(b))	-	-	(121)	(121)
Transfer to retained earnings during the year on cash settlement of stock options	(97)	-	97	-
As at 31 March 2023	(18,373)	23,521	983	6,131
Loss for the year	(10,597)	-	-	(10,597)
Other Comprehensive loss for the year, net	(26)	-	-	(26)
Issue of compulsorily convertible preference shares during the year	-	9,009	-	9,009
Issue of bonus compulsorily convertible preference shares during the year (refer note 13(a) and note 16(i))	-	0	-	0
Charge against share-based payments	-	-	882	882
Settlement of RTS liability by issue of equity instruments (refer note 16(i))	-	797	-	797
Stock options cancelled during the year (refer note 25(a))	-	-	(745)	(745)
Transfer to retained earnings during the year on cancellation of stock options	(97)	-	97	-
As at 31 March 2024	(29,093)	33,327	1,217	5,451

The accompanying notes 1-51 form an integral part of these financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration no.008072S

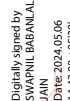
Gurvinder Singh
Singh Roop
Singh Matta
Partner
Membership No. 110128

 Digitally signed by Gurvinder Singh
Singh Roop
Singh Matta
Date: 2024.05.06 17:37:23 +05'30'

TARUN
SANJAY
MEHTA
Director
DIN: 6392463

 Digitally signed by TARUN SANJAY MEHTA
Date: 2024.05.06 14:39:29 +05'30'

SWAPNIL
BABANLAL
JAIN
Director
DIN: 6682759

 Digitally signed by SWAPNIL BABANLAL JAIN
Date: 2024.05.06 14:43:08 +05'30'

SOHIL
DILIPKUM
R PAREKH

 Digitally signed by SOHIL DILIPKUM R PAREKH

Puja Aggarwal
Company Secretary

Sohil Parekh
Chief Financial Officer

Date: 06 May 2024
Place: Bengaluru

Date: 06 May 2024
Place: Bengaluru

Ather Energy Private Limited

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

1. Notes to financial statements

1.1 Corporate Information

Ather Energy Private Limited ('the Company') (CIN: U40100KA2013PTC093769) is a Private Limited Company incorporated and domiciled in India. The Company's registered office of the Company is located at IBC Knowledge Park, Bannerghatta Road, Bangalore, Karnataka. The Company is in the business of manufacturing selling of electric scooters and related research & development. The Company has manufacturing plants located at Hosur in Tamil Nādu.

These financial statements for the year ended 31 March 2024 have been approved by the Board of Directors and authorised for issuance on 06 May 2024.

1.2 Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, defined benefit liabilities and share based payment arrangements that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all values are rounded to the nearest million, except when otherwise indicated. The number '0' in financial statements denotes amount less than INR. 0.5 million.

Going Concern:

The Company has incurred a loss of INR 10,623 million for the year ended 31 March 2024 and has accumulated losses of INR 29,093 million as at 31 March 2024. 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 31 March 2024, the Company has not been able to comply with the terms of loan agreement in two 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 40 to the financial statements) primarily due to the losses.

Notwithstanding the above, the Company's net current assets exceed its net current liabilities by INR 1,530 millions as at 31 March 2024. 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 and ii) Implementation of cost control measures. Further, subsequent to the year end, the Company has borrowed funds through issue of Non-convertible debentures (NCD) aggregating INR 1,100 million to financial institutions and has also received sanction letters from two lenders for INR 2,000 million each.

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.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

1.3 Summary of Material Accounting Policies

1.3.1 Current versus non- current classification

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.

1.3.2 Fair Value Measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities at each Balance sheet date. 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:

Ather Energy Private Limited

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

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

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

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

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

1.3.3 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. 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.

Ather Energy Private Limited**Notes to the financial statements for the year ended 31 March 2024****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.

d. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at 31 March 2024 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.

During the previous year, based on a detailed reassessment carried out by the technical team for amortisation of internally generated intangible assets, the Company has decided to use, the 'useful life' method for amortising such intangible assets as against the "unit of production" method. Useful life method 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.

e. Provision for warranty

Provisions for warranty-related costs are recognized when the products are sold by the Company. Provision is estimated based on historical experience and/or technical estimates. Provisions are discounted, where necessary, to its present value based on the 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.

f. Share based payment

Employees of the Company receive remuneration in the form of Share-based Payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). In accordance with the Ind AS 102 Share-based Payment, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

g. 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.

Ather Energy Private Limited

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

h. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale. Management periodically reviews the inventory listing to determine if any allowance should be accounted for in the financial statements for obsolete or slow-moving items, and to compare the carrying value of inventory items with their respective net realizable value.

1.3.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at 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.

Property, plant and equipment not ready for the intended use, on the date of Balance sheet, are disclosed as "Capital work-in progress" and are carried at cost, comprising direct cost and attributable interest.

Depreciation and Amortisation

Depreciation is provided on a pro rata basis on straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.

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 – Laboratory Equipments	5 Years
b) Plant and Machinery – Moulds and Jigs	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

Ather Energy Private Limited**Notes to the financial statements for the year ended 31 March 2024**

Description of Assets	Useful life and Basis of Depreciation/ Amortisation
e) Electric installation	Over the primary lease period or 10 years whichever is lower.
f) Charging Infrastructure	3 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Depreciation on additions is being provided on pro rata basis from the month of such additions.

Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

1.3.5 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, if any. 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, if any.

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

Ather Energy Private Limited

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

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 :

Other intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The management estimates the useful lives for its assets as follows:

Description of Assets	Useful life and Basis of Depreciation/ Amortisation
a) Software	5 years
b) Patent & other intellectual property rights	5 years
c) Website	3 years
d) Product development (internally generated intangible assets)	2 - 7 years

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

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.

Ather Energy Private Limited

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

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.

1.3.7 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 Goods and Services Tax to the extent credit of the tax is availed of.

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.

1.3.8 Revenue from contract with customers and Other Income

Revenue from contract with customers

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the government.

- **Sale of products**

The Company recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to dealers, which is when control including risks and rewards and title of ownership pass to the customer, and when there are no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company offers sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and customer of any subsequent sale of the vehicle. This sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. The Company estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of retailer stock and local market conditions.

The consideration received in respect of transport arrangements for delivering of vehicles to the customers are recognised net of their costs within revenues in the income statement.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

- **Sale of services**
Income from sale of services and extended warranties are recognised as income over the relevant period of service or extended warranty.

When the Company sells bundled service and extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is having a different timing of performance obligation. In such cases, the transaction price allocated towards such service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers. Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration on account of discounts and other incentives, if any, offered by the Company as a part of the contract with the customer. Revenue also excludes taxes or other amounts collected from customers. No element of financing is deemed present as the sale of goods / services are primarily on a "Cash and Carry" basis.

Contract balances

Trade receivables

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. Refer to accounting policy on Financial instruments – initial measurement and subsequent measurement

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Warranty obligation

The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Other Income

- Interest income is recognised on the accrual basis. 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.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

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

1.3.9 Government Grants

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 grant are recognised as deferred income in the balance sheet and transferred 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.

1.3.10 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. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. 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 recognised 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

Ather Energy Private Limited

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

is recognised on the basis of an independent actuarial valuation. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

III. Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. 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.

1.3.11 Leases

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves– (a) the use of an identified asset, (b) the right to obtain substantially all the economic benefits from use of the identified asset, and (c) the right to direct the use of the identified asset.

As a lessee : The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease or company's incremental borrowing rate, if interest rate implicit in the lease cannot be readily determined. Generally, the company uses its incremental borrowing rate as the discount rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by

Ather Energy Private Limited

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

discounting the revised lease payments using a revised discount rate at the effective date of the modification.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Lease liabilities include the net present value of the following lease payments:

- 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;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- 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 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.

1.3.12 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 reporting date 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.

1.3.13 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.

Ather Energy Private Limited

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

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.

1.3.14 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, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Ather Energy Private Limited

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

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 or the amount of the obligation cannot be measured with sufficient reliability. 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. Provision is estimated based on historical experience and/or technical estimates. The estimate of such warranty-related costs is reviewed annually.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

1.3.15 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.

1.3.16 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders the weighted average number of equity shares (including equivalent number of equity shares on conversion of compulsorily convertible preference shares) outstanding during the year.

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.

1.3.17 Employees Stock Option

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Ather Energy Private Limited

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

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the year 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 year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

1.3.18 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.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer accounting policy on 'Revenue from contracts with customers'.

ii. Subsequent measurement

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

- a. Financial assets at amortised cost
- b. Financial assets at fair value through other comprehensive income (OCI)
- c. Financial assets at fair value through profit or loss
- d. Equity instruments measured at Fair Value Through Other Comprehensive Income

a. Financial assets at amortised cost

A financial asset is subsequently 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.

Ather Energy Private Limited

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

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.

b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After the initial measurement, such financial assets are subsequently measured at fair value at each reporting date. Fair value movement are recognised in the other comprehensive income and impairment are recognised in statement of profit & loss. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

c. Financial assets at fair value through profit or loss

A financial assets which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Equity instruments measured at Fair Value Through Other Comprehensive Income

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 fair value through profit or loss. For all other equity instruments, the Company decides to classify the same either as at Fair value through other comprehensive income or fair value through profit or loss. 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 fair value through other comprehensive income, 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 fair value through profit or loss category are measured at fair value with all changes recognized in the P&L.

Right to subscribe

The Shareholder Agreement includes an Anti-Dilution Price Protection clause ie. in the event of a down round funding, existing shareholders will have the right to purchase a certain number of additional shares at nominal value to compensate them. This down-round protection has been separated from the host preference shares and has been recognized as a derivative liability per Ind AS 32, Presentation of financial instruments. This financial liability is measured at FVTPL in the financial statements per Ind AS 109, Financial Instrument

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

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 de-recognised when:

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

iv. Impairment of financial assets

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

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

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

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

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

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

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

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

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

B. Financial liabilities

i. Initial recognition and measurement

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

Ather Energy Private Limited

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

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 instatement of profit and loss. 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.

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.

1.3.19 Cash Flow Statement

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

Ather Energy Private Limited**Notes to the financial statements for the year ended 31 March 2024****1.3.20 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.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024
Note No. 2 (a)

PROPERTY, PLANT AND EQUIPMENT

(Amount in millions of INR unless otherwise stated)

Particulars	Leasehold Improvements	Plant & Machinery	Furniture and Fittings	Vehicles	Office Equipment	Electronic Equipment	IT equipment	Charging Infrastructure	Total
Balance as at 01 April 2022	230	1,010	38	2	57	33	124	21	1,515
Additions	139	797	28	39	59	25	113	63	1,263
Disposals	(32)	(228)	(7)	(1)	(11)	(3)	(7)	-	(289)
Balance as at 31 March 2023	337	1,579	59	40	105	55	230	84	2,489
Additions	30	281	6	6	11	13	33	58	438
Disposals	-	(18)	(1)	(1)	(3)	(2)	(14)	(8)	(47)
Balance as at 31 March 2024	367	1,842	64	45	113	66	249	134	2,880
Accumulated depreciation and impairment									
Balance as at 01 April 2022	132	332	0	1	22	8	75	7	577
Depreciation expense for the year	31	137	20	4	16	8	34	10	260
Disposals	(20)	(127)	(4)	(0)	(8)	(1)	(6)	-	(166)
Balance as at 31 March 2023	143	342	16	5	30	15	103	17	671
Depreciation expense for the year	53	176	5	12	19	15	52	38	370
Disposals	-	(8)	(0)	(1)	(3)	(0)	(13)	(6)	(32)
Balance as at 31 March 2024	196	510	21	16	46	30	142	49	1,009
Carrying amount (net)									
As at 31 March 2023	194	1,237	43	35	75	40	127	67	1,818
As at 31 March 2024	171	1,332	43	29	67	36	107	85	1,871

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 ended 31 March 2024 and 31 March 2023, the management has reviewed and reclassified certain assets in the financial statements. The impact of such reclass on financial statements is not material.
3. Refer note 14 for details of property, plant and equipment hypothecated as security towards borrowings

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024
Note No. 2 (b)
Right of use assets

(Amount in millions of INR unless otherwise stated)

Particulars	Buildings
Gross Carrying Amount	
Balance as at 01 April 2022	785
Additions	1,446
Disposals	(154)
Balance as at 31 March 2023	2,077
Additions	20
Adjustment*	(70)
Disposals	(43)
Balance as at 31 March 2024	1,984
Accumulated depreciation and impairment	
Balance as at 01 April 2022	139
Depreciation expense for the year	199
Disposals	(105)
Balance as at 31 March 2023	233
Depreciation expense for the year	288
Disposals	(26)
Balance as at 31 March 2024	495
Carrying amount (net)	
As at 31 March 2023	1,844
As at 31 March 2024	1,489

Movement in lease liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	1,864	665
Additions during the year	19	1,368
Interest expense during the year	196	136
Lease payments during the year	(364)	(250)
Adjustment during the year*	(68)	-
Reversal of lease liability on termination of lease during the year	(19)	(55)
Balance at the end of the year	1,628	1,864
Current lease liability	209	178
Non current lease liability	1,419	1,686

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	383	364
One to five years	1,229	1,564
More than five years	1,082	1,215
Total undiscounted lease liabilities	2,694	3,143

Rent and maintenance for the short term leases amounting to INR 119 million is debited to Statement of Profit and Loss for the year ended 31 March 2024 (31 March 2023 : INR 95 million).

* The adjustment is on account of reassessment of lease liability in accordance with IND AS 116 due to change in the lease term.

Ather Energy Private Limited

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

Note No. 2 (c)

CAPITAL WORK-IN-PROGRESS

(Amount in millions of INR unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	9	4
Net movement during the year	(9)	5
Balance at the end of the year	0	9

Capital work-in-progress (CWIP) ageing as at 31 March 2024

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	0	-	-	-	0
Total	0	-	-	-	0

Capital work-in-progress (CWIP) ageing as at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	9	-	-	-	9
Total	9	-	-	-	9

Note: There are no projects for which completion is overdue compared to original plan and cost is not exceeding against the budgeted cost.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

Note No. 2 (d)

INTANGIBLE ASSETS

(Amount in millions of INR unless otherwise stated)

Particulars	Website	Software	Patents & Other IP Rights	Product Development (Internally generated)	Total
Gross Carrying Amount					
Balance as at 01 April 2022	16	112	9	1,958	2,095
Additions	-	22	-	664	686
Disposals	-	(3)	-	-	(3)
Balance as at 31 March 2023	16	131	9	2,622	2,778
Additions	-	26	-	229	255
Disposals	(16)	(2)	-	-	(18)
Balance as at 31 March 2024	-	155	9	2,851	3,015
Accumulated amortisation and impairment					
Balance as at 01 April 2022	15	61	2	251	329
Amortisation expense for the year	-	13	4	652	669
Disposals	-	(3)	-	-	(3)
Balance as at 31 March 2023	15	71	6	903	995
Amortisation expense for the year	1	23	3	782	809
Disposals	(16)	(2)	-	-	(18)
Balance as at 31 March 2024	-	92	9	1,685	1,786
Carrying amount (net)					
As at 31 March 2023	1	60	3	1,719	1,783
As at 31 March 2024	-	63	-	1,166	1,229

Note No. 2 (e)

INTANGIBLE ASSETS UNDER DEVELOPMENT

Description of Assets	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	365	923
Net movement during the year	341	(558)
Balance at the end of the year	706	365

Intangible Assets Under Development Ageing schedule as at 31 March 2024

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress					
Project in progress	484	11	-	211	706
Total	484	11	-	211	706

Intangible Assets Under Development Ageing schedule as at 31 March 2023

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Project in progress	68	62	-	-	130
Projects temporarily suspended (refer note 1 below)	-	-	-	235	235
Total	68	62	-	235	365

Intangible Assets Under Development Completion schedule as at 31 March 2023

Intangible Assets Under Development	To be completed in				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects temporarily suspended (refer note 1 below)	235	-	-	-	235
Total	235	-	-	-	235

Note 1: A project which was put on hold during earlier years so that the project resources could focus on reducing the material cost of existing models and to achieve scale in operations. The said project has been re-initiated during the year.

Note 2: There are no projects for which completion is overdue compared to original plan and cost is not exceeding against the budgeted cost.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 3 OTHER FINANCIAL ASSETS

	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured considered good		
Security deposits	129	121
Term deposits (with original maturity of more than 12 months) *	0	1
Deposits with lenders	24	55
Total	153	177
Current		
Unsecured considered good		
EV subsidy receivable**	845	3,423
Interest accrued on term deposits	2	1
Deposits with lenders and others	320	295
Unbilled revenue	1	-
Other receivables	2	2
Total	1,170	3,721

*Lien marked against bank guarantees and term loans.

** During the year, EV subsidy receivable has been reclassified from other current assets to other current financial assets as the Company has a contractual right to receive cash.

Note - 4 OTHER ASSETS

	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Balances with Government authorities	982	649
Prepaid expenses	263	-
Capital advances	148	40
	1,393	689
Unsecured, considered doubtful		
Capital advances	32	53
Less: Allowance for doubtful advance	(32)	(53)
	-	-
Total	1,393	689
Current		
Unsecured, considered good		
Balances with Government authorities	2,293	1,615
Prepaid expenses	159	107
Advances to employees	2	9
Advance to vendors	61	401
	2,515	2,132
Unsecured, considered doubtful		
Advance to vendors	5	38
Less: Allowance for doubtful advance	(5)	(38)
	-	-
Total	2,515	2,132

Note - 5 INVENTORIES

	As at 31 March 2024	As at 31 March 2023
Raw materials & components	892	2,112
Raw Materials-in-transit	97	6
Work-in-progress	0	39
Finished goods	90	303
Stock-in-trade	88	114
Total	1,167	2,574

Note 1: Mode of valuation has been stated in note 1.3.7

Note 2: The value of inventories above is stated after net provisions of INR 114 million (31 March 2023:INR 20 million) for write-down to net realisable value and provisions for slow-moving and obsolete items.

Note 3: Refer note 14 for details of inventory hypothecated as security towards borrowings.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 6 INVESTMENTS

	As at 31 March 2024	As at 31 March 2023
Investments carried at fair value through profit and loss		
Investments in quoted mutual funds (refer note 1 below)		
Aditya Birla Sun Life Money Manager Fund Regular Plan Growth 970,544.219 Units (31 March 2023:970,544.219)	327	304
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan 155,4087.826 Units (31 March 2023:Nil)	606	-
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan 519,954.237 Units (31 March 2023:Nil)	200	-
HDFC Ultra Short Term Fund Direct Plan Growth 973,452.080 Units (31 March 2023: Nil)	14	-
DSP Savings Fund Regular Plan Growth 1,304,399.007 Units (31 March 2023:Nil)	63	-
Nippon India Liquid Fund -Growth Plan 25,736.672 Units (31 March 2023:Nil)	150	-
Bandhan Liquid Fund Regular Plan Growth 69,289.195 Units (31 March 2023:Nil)	201	-
Bandhan Liquid Fund -Direct Plan-Growth 137,666.019 Units (31 March 2023:Nil)	402	-
Bandhan Overnight Fund - Direct Plan - Growth 40,809.624 Units (31 March 2023:Nil)	52	-
Tata Liquid Fund- Direct Plan-Growth Option 105,883.701 Units (31 March 2023:Nil)	403	-
LIC MF Liquid Fund-Direct Plan-Growth 34,769.734 Units (31 March 2023:Nil)	152	-
Nippon India Liquid Fund Direct Plan Growth 59,471.443 units (31 March 2023:95,582.013)	352	527
ICICI Prudential Liquid Fund Direct Plan Growth Nil units (31 March 2023:1,187,911.953)	-	396
Axis Liquid Fund Regular Plan Growth Nil units (31 March 2023:42,415.735)	-	105
Axis Liquid Fund Direct Plan Growth Nil units (31 March 2023:210,465.624)	-	527
ICICI Prudential Overnight Fund Direct Plan Growth Nil units (31 March 2023:165,763.762)	-	200
SBI Liquid Fund Direct Plan Growth Nil units (31 March 2023:85,258.069)	-	300
Kotak Liquid Regular Plan Growth Nil units (31 March 2023:44,300.532)	-	200
HDFC Liquid Fund Direct Plan Growth Nil units (31 March 2023:67,866.363)	-	300
	2,922	2,859
Investments in Commercial Paper of IL&FS Financial Services Limited	196	196
Less: Allowance for diminution in value of investments (refer note 2 below)	(196)	(196)
	-	-
Total	2,922	2,859
(a) Aggregate amount of quoted investments and market value thereof;	2,922	2,859
(b) Aggregate amount of unquoted investments; and	196	196
(c) Aggregate amount of impairment in value of investments.	196	196

Note 1: Detail of lien marked investments

Particulars	As at 31 March 2024		As at 31 March 2023	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Money Manager Fund Regular Plan Growth	417,630.617	141	-	-

Note 2: The Company 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.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 7 TRADE RECEIVABLES		As at 31 March 2024	As at 31 March 2023
Trade Receivables considered good - Unsecured		16	12
Total		16	12

Trade receivables ageing as at 31 March 2024

Particulars	Outstanding for the following periods from transaction date					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed						
- Considered good	-	16	0	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Total	-	16	0	-	-	-

Trade receivables ageing as at 31 March 2023

Particulars	Outstanding for the following periods from transaction date					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed						
- Considered good	-	12	0	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Total	-	12	0	-	-	-

Note - 8 CASH AND CASH EQUIVALENTS		As at 31 March 2024	As at 31 March 2023
Cash on hand		1	1
Balances with banks			
-in current accounts		2,278	825
Total		2,279	826

The balance that meet the definition of cash and cash equivalents as per IndAS 7 Statement of Cash Flows is including liquid mutual fund of INR 2,780 million as at 31 March 2024, (31 March 2023: INR 2,859 million)

Note - 9 OTHER BALANCES WITH BANKS		As at 31 March 2024	As at 31 March 2023
Bank balances other than cash and cash equivalents			
-Earmarked deposits with banks*		855	934
-in term deposit (with original maturity of more than 3 months but less than 12 months)		1,344	2
Total		2,199	936

*Lien marked against bank guarantee and term loans

Note - 10 LOANS		As at 31 March 2024	As at 31 March 2023
Current			
Unsecured, considered good			
Loans to employees		2	-
Total		2	-

Note - 11 CURRENT TAX ASSETS		As at 31 March 2024	As at 31 March 2023
Tax deduction at source		24	23
Total		24	23

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital				
Equity Share Capital				
Equity Shares of INR 1 each	2,87,158	0.3	2,87,158	0.3
Equity shares of INR 37 each	3,530	0.1	3,530	0.1
Preference Share Capital				
Compulsorily Convertible Preference shares of INR 37 each	23,490	0.9	23,490	0.9
Series A Compulsorily Convertible Preference Shares of INR 1 each	74,732	0.1	74,732	0.1
Series B Compulsorily Convertible Preference Shares of INR 10 each	99,826	1.0	99,826	1.0
Series B1 Compulsorily Convertible Preference Shares of INR 10 each	29,347	0.3	29,347	0.3
Series C Compulsorily Convertible Preference Shares of INR 10 each	29,699	0.3	29,699	0.3
Series C1 Compulsorily Convertible Preference Shares of INR 10 each	20,688	0.2	20,688	0.2
Series D Compulsorily Convertible Preference Shares of INR 10 each	88,040	0.9	88,040	0.9
Series E Compulsorily Convertible Preference Shares of INR 10 each	1,93,789	1.9	1,93,789	1.9
Series E1 Compulsorily Convertible Preference Shares of INR 10 each	51,359	0.5	51,359	0.5
Series E2 Compulsorily Convertible Preference Shares of INR 10 each	2,29,120	2.3	1,30,252	1.3
Compulsorily Convertible Preference Shares of INR 10 each	51,132	0.5	-	-
TOTAL	11,81,910	9.3	10,31,910	7.8

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Issued, Subscribed and Paid up Share Capital				
Equity Share Capital (refer note 12.1 below)				
Equity Shares of INR 1 each.	1,11,030	0.1	1,11,030	0.1
Equity shares of INR 37 each	3,530	0.1	3,530	0.1
Preference Share Capital (instrument entirely equity in nature) (refer note 12.2 below)				
Compulsorily Convertible Preference shares of INR 37 each	23,490	0.9	23,490	0.9
Series A Compulsorily Convertible Preference Shares of INR 1 each	74,732	0.1	74,732	0.1
Series B Compulsorily Convertible Preference Shares of INR 10 each	99,826	1.0	99,826	1.0
Series B1 Compulsorily Convertible Preference Shares of INR 10 each	29,347	0.3	29,347	0.3
Series C Compulsorily Convertible Preference Shares of INR 10 each	29,699	0.3	29,699	0.3
Series C1 Compulsorily Convertible Preference Shares of INR 10 each	20,688	0.2	20,688	0.2
Series D Compulsorily Convertible Preference Shares of INR 10 each	88,040	0.9	88,040	0.9
Series E Compulsorily Convertible Preference Shares of INR 10 each	1,93,789	1.9	1,93,789	1.9
Series E1 Compulsorily Convertible Preference Shares of INR 10 each	51,359	0.5	51,359	0.5
Series E2 Compulsorily Convertible Preference Shares of INR 10 each	2,04,391	2.0	-	-
Compulsorily Convertible Preference Shares of INR 10 each	18,088	0.2	-	-
TOTAL	9,48,009	8.5	7,25,530	6.3

12.1. Equity Share Capital

12.1.1 Equity Shares of INR 1 each Fully paid up.

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	1,11,030	0.1	1,10,830	0.1
Add: Issued during the year	-	-	200	0.0
Closing Balance	1,11,030	0.1	1,11,030	0.1

(ii) Rights, preferences & restrictions attached to this class of share

Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

12.1.2 Equity Shares of INR 37 each

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	3,530	0.1	3,530	0.1
Add: Issued during the year	-	-	-	-
Closing Balance	3,530	0.1	3,530	0.1

Note: 2,50,000 15% compulsorily convertible debentures of INR 10 each were converted into 353 Equity shares of INR 370 each at a price of INR 7,082.15 in exercise of the conversion clause of the subscription agreement on 20 October 2014.

The aforesaid shares were sub-divided to equity shares of face value of INR 37 each on 13 March 2015.

Rights, preferences & restrictions attached to this class of share

Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

12.2. Instrument entirely equity in nature

12.2.1 Compulsorily Convertible Preference shares of INR 37 each

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	23,490	0.9	23,490	0.9
Add: Issued during the year	-	-	-	-
Closing Balance	23,490	0.9	23,490	0.9

Note: 71 Compulsorily Convertible Preference shares issued on 20 October 2014 @ fair value of INR 21,696.17 (INR 370 as face value & INR 21,326.17 as securities premium) on conversion of loan along with accrued interest of INR 1,540,428.

The aforesaid Compulsorily Convertible Preference shares were sub-divided to Compulsorily Convertible Preference shares of face value of INR 37 each on 13 March 2015.

(ii) Rights, preferences & restrictions attached to this class of share

- (a) Each preference share shall get converted into one equity share of INR 1 each subject to adjustments for share splits, bonus etc. based on the subscription agreement not later than 20 years from financial year 2014-15.
(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.

12.2.2 Series A Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	74,732	0.1	74,732	0.1
Add: Issued during the year	-	-	-	-
Closing Balance	74,732	0.1	74,732	0.1

12.2.3 Series B Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	99,826	1.0	99,826	1.0
Add: Issued during the year	-	-	-	-
Closing Balance	99,826	1.0	99,826	1.0

12.2.4 Series B1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	29,347	0.3	29,347	0.3
Add: Issued during the year	-	-	-	-
Closing Balance	29,347	0.3	29,347	0.3

12.2.5 Series C Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	29,699	0.3	29,699	0.3
Add: Issued during the year	-	-	-	-
Closing Balance	29,699	0.3	29,699	0.3

12.2.6 Series C1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	20,688	0.2	20,688	0.2
Add: Issued during the year	-	-	-	-
Closing Balance	20,688	0.2	20,688	0.2

12.2.7 Series D Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	88,040	0.9	88,040	0.9
Add: Issued during the year	-	-	-	-
Closing Balance	88,040	0.9	88,040	0.9

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

12.2.8 Series E Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	1,93,789	1.9	-	-
Add: Issued during the year	-	-	1,63,131	1.6
Add: Compulsorily Convertible Debentures converted into Series E CCPS (refer note 12.3 below)	-	-	30,658	0.3
Closing Balance	1,93,789	1.9	1,93,789	1.9

12.2.9 Series E1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	51,359	0.5	-	-
Add: Issued during the year	-	-	51,359	0.5
Closing Balance	51,359	0.5	51,359	0.5

12.2.10 Series E2 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	-	-
Add: Issued during the year	2,04,391	2.0	-	-
Closing Balance	2,04,391	2.0	-	-

12.2.11 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	-	-	-	-
Add: Bonus share issued during the year*	18,088	0.2	-	-
Closing Balance	18,088	0.2	-	-

* Pursuant to board and shareholder's approval, the Company has issued to 18,088 bonus share during the year of INR 10 per share to certain class of shareholders in ratio of their respective holdings.

(ii) Rights, preferences & restrictions attached to the above ten 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, 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. All dividends to such shareholders shall be non-cumulative.

(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.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE
12.3. Instrument entirely equity in nature (Compulsorily Convertible Debentures of INR 100 each)

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Debentures	Amount	No of Debentures	Amount
Opening Balance	-	-	30,658	3.1
Add: Issued during the year	-	-	-	-
Less: Converted in to Series E CCPS (refer note below)	-	-	30,658	3.1
Closing Balance	-	-	-	-

Note:

During the previous year, the CCD of INR 100 each has been converted in to Series E CCPS of INR 10 each in the ratio of 1:1.

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	% Holding	No of Shares	% Holding
EQUITY SHARE CAPITAL				
12.4.1 Equity Shares of INR 1 each				
Swapnil Babanlal Jain	44,800	40%	44,800	40%
Tarun Sanjay Mehta	39,800	36%	44,800	40%
Arun Vinayak	8,420	8%	8,420	8%
IITM Incubation Cell	5,260	5%	5,260	5%
12.4.2 Equity Shares of INR 37 each				
V Srinivasan	3,530	100%	3,530	100%
COMPULSORILY CONVERTIBLE PREFERENCE SHARE CAPITAL				
12.4.3 Compulsorily Convertible Preference shares of INR 37 each				
Sachin Bansal	7,278	31%	10,950	47%
Three State Capital Pte Ltd	10,950	47%	10,950	47%
Hero MotoCorp Limited	3,672	16%	-	0%
12.4.4 Series A Compulsorily Convertible Preference Shares of INR 1 each				
Internet Fund III Pte Ltd	74,732	100%	74,732	100%
12.4.5 Series B Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	99,186	99%	99,186	99%
12.4.6 Series B1 Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	29,347	100%	29,347	100%
12.4.7 Series C Compulsorily Convertible Preference Shares of INR 10 each				
Sachin Bansal	21,940	74%	29,699	100%
Hero MotoCorp Limited	7,759	26%	-	-
12.4.8 Series C1 Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	20,688	100%	20,688	100%
12.4.9 Series D Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	50,664	58%	30,475	35%
Sachin Bansal	37,376	42%	57,565	65%
12.4.10 Series E Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	84,310	44%	84,310	44%
National Investment and Infrastructure Fund II	76,546	39%	76,546	39%
Caladium Investment Pte Ltd	30,558	16%	30,558	16%
12.4.11 Series E1 Compulsorily Convertible Preference Shares of INR 10 each				
Caladium Investment Pte Ltd	51,276	100%	51,276	100%
12.4.12 Series E2 Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	1,13,404	55%	-	-
Caladium Investment Pte Ltd	90,723	44%	-	-
12.4.13 Compulsorily Convertible Preference Shares of INR 10 each				
Hero MotoCorp Limited	6,420	35%	-	-
Sachin Bansal	4,495	25%	-	-
Caladium Investment Pte Ltd	5,559	31%	-	-
National Investment and Infrastructure Fund II	1,561	9%	-	-

Ather Energy Private Limited

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

(Amount in millions of INR unless otherwise stated)

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

12.5 Details of Shares held by Promoters

As at 31 March 2024

Particulars	No. of shares	% of total shares	% change during the period
Nominal value of INR 1 each			
Swapnil Babanlal Jain	44,800	40.35%	0.00%
Tarun Mehta Sanjay	39,800	35.85%	-11.16%
Mehta Family Trust	3,000	2.70%	100.00%
Tarun Swarna Family Trust	2,000	1.80%	100.00%

As at 31 March 2023

Particulars	No. of shares	% of total shares	% change during the period
Nominal value of INR 1 each			
Swapnil Babanlal Jain	44,800	40.35%	-0.18%
Tarun Mehta Sanjay	44,800	40.35%	-0.18%

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 13 OTHER EQUITY	As at 31 March 2024	As at 31 March 2023
(i) Securities Premium		
Balance at the beginning of the year	23,521	11,522
Add : Issue of compulsorily convertible preference shares during the year	9,009	11,989
Add : Issue of equity shares during the year	-	10
Add : Settlement of right to subscribe (RTS) liability by issue of equity instruments (refer note 16(i))	797	-
Add : Issue of bonus shares during the year (refer note (a) below and note 16(i))	0	-
Balance at the end of the year	33,327	23,521
(ii) Retained earnings		
Balance at the beginning of the year	(18,373)	(9,637)
Less : Loss for the year	(10,597)	(8,645)
Less : Other Comprehensive income / (loss)	(26)	6
Less : Transfer from stock option outstanding account on cancellation/cash settlement.	(97)	(97)
Balance at the end of the year	(29,093)	(18,373)
(iii) Stock Options Outstanding Account		
Balance at the beginning of the year	983	357
Add : Charge against share-based payments	882	650
Less : Stock options settled/cancelled during the year (refer note (b) below and note 25(a))	(745)	(121)
Add : Transfer to retained earnings on cancellation/cash settlement.	97	97
Balance at the end of the year	1,217	983
	5,451	6,131

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) Retained earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend and other distributions made to the 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 security premium on exercise of the related stock options.

Notes:

(a) Pursuant to board and shareholder's approval, the Company has issued to 18,088 bonus share during the year of INR 10 per share to certain class of shareholders in ratio of their respective holdings.

(b) During the previous 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 of INR 121 million is debited to reserves in accordance with Ind AS 102.

Note - 14 BORROWINGS	As at 31 March 2024	As at 31 March 2023
Non-current (at amortised cost)		
Secured		
(a) Non convertible debentures	247	-
(b) Term loans		
(i) from banks	62	128
(ii) from others	-	1,077
Total	309	1,205
Current (at amortised cost)		
Secured		
(a) Loans repayable on demand		
(i) from banks	1,035	2,193
(b) Current maturities of long term debt		
Non convertible debentures	666	344
Term loan		
(i) from banks	68	68
(ii) from others	1,071	1,042
Total	2,840	3,647
	3,149	4,852

Note:

(i) Above amounts are net off unamortised borrowing costs.

Terms and repayment:

Secured term loans from banks and others carry interest rate ranging from 9.25% p.a. to 14.00% p.a. These loans are repayable in monthly installments as per the terms of the respective loan agreements. Tenure of these loans are ranging from 2 to 5 years.

The Company has availed short term credit facilities in the form of working capital demand loans to meet the working capital requirements of the Company and these facilities carry an floating interest from 7.5% p.a to 11.20% p.a. These are repayable on demand.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

The Company has issued redeemable Non-convertible debentures for the purpose of general corporate purposes and the terms of the debentures are as below:

Face value (INR)	Number of debentures	Allotted on	Outstanding as at 31.03.2024	Outstanding as at 31.03.2023	Interest rate	Repayment
1,00,000	5000	11 August 2023	357	-	14.85% p.a payable on monthly basis	Redeemable in 21 equal installments of INR 2,38,00,000/- each
1,00,000	5000	10 August 2023	357	-	14.85% p.a payable on monthly basis	Redeemable in 21 equal installments of INR 2,38,00,000/- each
1,00,000	1500	02 September 2023	107	-	14.85% p.a payable on monthly basis	Redeemable in 21 equal installments of INR 71,42,857/- each
1,00,000	1500	02 September 2023	107	-	14.85% p.a payable on monthly basis	Redeemable in 21 equal installments of INR 71,42,857/- each
10,00,000	500	04 October 2023	-	344	14.75% p.a payable on monthly basis	Redeemable in 16 equal installments of INR 3,12,50,000/- each

Term of security:

Term loans & Working capital loans from banks:

Pari passu charge on current assets both present and future, Cash margin of 25% by way lien on fixed deposits, Pari passu charge on brand and trade mark/IPR/Intangibles of the technology stock/product suite if any.

Term loans from Others

First pari passu charge on movable property, plant and equipment of the Company including intangibles, Cash margin @20% of principal outstanding amount, Second charge over the present and future current assets of the Company.

Non-convertible debentures

First Pari-passu charge on existing and future property, plant and equipment, Cash and cash equivalents & all intellectual property rights, Second pari-passu charge on existing and future Current assets of the company.

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. The Company has utilised the borrowings for the purpose for which it was taken.
3. 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 31 March 2024.
4. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Note - 15 LEASE LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Non-current		
Lease liability (Refer note 2(b))	1,419	1,686
Total	1,419	1,686
Current		
Lease liability (Refer note 2(b))	209	178
Total	209	178

Note - 16 OTHER FINANCIAL LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Non-current		
Deposits received from dealers	103	59
Total	103	59
Current		
Payable to employees	801	258
Interest accrued on borrowings	1	11
Right to subscribe (refer note (i) below)	44	617
Stock option liability (cash settled) (refer note (ii) below)	350	415
Payable on purchase of Property, Plant and Equipment	39	80
Payable towards refund of charger price to customer (refer note to 20(a))	111	-
Other Liabilities	2	2
Total	1,348	1,383

Note:

(i) In terms of borrowing and shareholder's agreements, certain lenders / shareholders have 'Right To Subscribe' (RTS) to the Company's equity shares of face value of INR 1 each. During the year, certain shareholders having 18,088 RTS have shared their consent to the Company for exercising their rights. Furthermore, shareholders have indicated their consent to the board for the issuance of bonus Compulsorily Convertible Preference Shares (CCPS) in lieu of equity shares, subject to the decision of both the Board and Shareholder. Pursuant to board and shareholder's approval, the Company has issued to 18,088 bonus CCPS to certain class of shareholder's in ratio of their respective holdings. Consequently, the settlement of RTS liability of INR 797 million by issue of bonus shares has been adjusted with the Securities Premium account. As at 31 March 2024, the Company has 1,811 RTS and the fair value of liability towards those RTS is INR 44 million.

(ii) Stock option liability (cash settled): 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 using Black-Scholes Model.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 17 PROVISIONS	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for Employee benefits		
Provision for Gratuity (refer note 34)	155	92
Provision for compensated absences (refer note 34)	116	81
	271	173
Other provisions		
Provision for warranties (refer note (a) below)	404	288
Provision for site-restoration expense (refer note (b) below)	27	25
	431	313
Total	702	486
Current		
Provision for Employee benefits		
Provision for Gratuity (refer note 34)	17	11
Provision for compensated absences (refer note 34)	28	34
	45	45
Other provisions		
Provision for warranties (refer note (a) below)	672	532
Provision for repair and others (refer note (c) below)	90	10
	762	542
Total	807	587

(a) Movement of provision for warranty	As at 31 March 2024	As at 31 March 2023
Opening Balance	820	241
Addition during the year (refer note below)	444	581
Unwinding of interest	77	53
Utilised during the year	(250)	(46)
Unused amounts reversed during the year	(15)	(9)
Closing balance	1,076	820
Non Current	404	288
Current	672	532

Notes: During the year, the Company has accounted additional warranty expense of INR 182 million (net of compensation from vendor) towards repair / replacement of parts based on the internal test results and management assessment.

(b) Movement of site-restoration expense	As at 31 March 2024	As at 31 March 2023
Opening Balance	25	15
Addition during the year	-	12
Unwinding of interest	3	2
Unused amounts reversed during the year	(1)	(4)
Closing balance	27	25
Non Current	27	25
Current	-	-

(c) Movement of provision for repairs and others	As at 31 March 2024	As at 31 March 2023
Opening Balance	10	-
Addition during the year	93	13
Utilised during the year	(13)	(3)
Closing balance	90	10
Non Current	-	-
Current	90	10

Note - 18 OTHER LIABILITIES	As at 31 March 2024	As at 31 March 2023
Non-current		
Subsidy received from Government (refer note below)	21	-
Deferred revenue	358	-
Total	379	-
Current		
Statutory dues payable	455	105
Interest payable to vendors registered under the MSMED Act	18	13
Deferred revenue	121	22
Advance received from customers	939	423
Total	1,533	563

Note: During the current year, the Company received an amount towards incentive under the Tamil Nadu Electric Vehicle Policy 2019 subject to fulfilment of certain conditions. Pending fulfilment of the attached conditions, the Company has disclosed the incentive received as other liabilities as at March 31, 2024 in line with Ind AS-20.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 19 TRADE PAYABLES		As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises & small enterprises		183	236
Total outstanding dues of enterprises other than micro enterprises & small enterprises		3,844	3,601
Total		4,027	3,837

(a) Trade Payables ageing as at year ended 31 March 2024

Particulars	Outstanding for the following periods from the due date					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed						
- MSME	130	52	0	-	-	182
- Others	2,404	475	4	0	0	2,883
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	2,534	527	4	0	0	3,065
Accrued expenses						962
					Total	4,027

(b) Trade Payables ageing as at year end 31 March 2023

Particulars	Outstanding for the following periods from the due date					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed						
- MSME	216	20	0	-	0	236
- Others	1,964	460	1	3	1	2,429
Disputed						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	2,180	480	1	3	1	2,665
Accrued expenses						1,172
					Total	3,837

(c) Relationship with struck off Companies

Name of struck off Company	Nature of transactions	Transactions during the year 31 March 2024	Transactions during the year 31 March 2023	Balance outstanding as at 31 March 2024	Balance outstanding as at 31 March 2023	Relationship with the Struck off Company
Chai Kahani Cafes And Services P. Ltd.	Service charges	-	0	-	-	Vendor

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

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Principal amount remaining unpaid to MSME suppliers	183	236
(ii) Interest due on unpaid principal amount to MSME suppliers	18	13
(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 of delay in making payment (without adding the interest under MSME Development Act)	5	6
(v) The amount of interest accrued and remaining unpaid	18	13
(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.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 20 REVENUE FROM OPERATIONS		Year ended 31 March 2024	Year ended 31 March 2023
Revenue from sale of product and services			
Sale of finished products		15,819	14,327
Sale of stock-in-trade		502	2,072
Sale of service		1,190	1,397
Other operating revenue		27	13
Total		17,538	17,809

A. Reconciliation of Revenue from operations with the contracted price:

Description	Year ended 31 March 2024	Year ended 31 March 2023
Contract price	18,880	17,932
Less: Trade discounts, Incentives, etc	(1,342)	(123)
Total	17,538	17,809

B. Disaggregation of revenue:

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition. Refer note 33 for revenue by geography.

C. Assets and liabilities related to contracts with customers:

Description	As at 31 March 2024	As at 31 March 2023
Contract assets		
Trade receivable	16	12
Total	16	12
Contract liabilities		
Advance from customers	939	423
Deferred revenue	479	22
Total	1,418	445

D. Set out below is the amount of revenue recognised from:

Description	Year ended 31 March 2024	Year ended 31 March 2023
Amount included in contract liabilities at the beginning of the year	423	82

E. Movement in deferred revenue during the year:

Description	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	22	8
Add:Net addition during the year	548	35
Less:Revenue recognised during the year	(91)	(21)
Closing balance	479	22

F. Timing of revenue recognition:

Description	Year ended 31 March 2024	Year ended 31 March 2023
Good and services transferred at a point in time	17,447	17,788
Service transferred over time	91	21
Total	17,538	17,809

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 21 OTHER INCOME	Year ended 31 March 2024	Year ended 31 March 2023
Interest income under the effective interest method on financial assets carried at amortised cost		
Interest on term deposit	164	75
Unwinding of interest on financial assets	32	7
Income on financial assets carried at fair value through profit or loss		
Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	115	118
Profit on sale of non-trade investments	-	2
Other non-operating income		
Provision/Liability no longer required written back	32	-
Gain on sale of property, plant and equipment	3	3
Other income	7	4
	353	209
Note - 22 COST OF MATERIAL CONSUMED	Year ended 31 March 2024	Year ended 31 March 2023
Raw Materials and components consumed:		
Inventory at the beginning of the year	2,118	490
Add: Purchases	14,663	16,998
Less: Inventory at the end of the year	(989)	(2,118)
Total	15,792	15,370
Note - 23 PURCHASE OF STOCK-IN-TRADE	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of stock-in-trade	279	923
Total	279	923
Note - 24 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the beginning of the year		
- Finished Goods	303	40
- Work-in-Progress	39	5
- Stock-in-trade	114	72
	456	117
- Stock-in-trade capitalised	(31)	(0)
Inventories at the end of the year		
- Finished Goods	90	303
- Work-in-Progress	0	39
- Stock-in-trade	88	114
	178	456
Total	247	(339)
Note - 25 EMPLOYEE BENEFITS EXPENSE	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	3,055	2,240
Employee share based payment expenses (refer note (a) below)	754	885
Contribution to provident and other funds	137	89
Gratuity (refer note 34)	50	49
Staff welfare expenses	165	136
	4,161	3,399
Less : Transfer to intangible assets under development	(469)	(51)
Total	3,692	3,348
Note:		
(a) During the previous year, the Company has granted 46,149 option under the Management Stock Option Plan 2022 (MSOP 2022) approved by shareholders in meeting dated 26 September, 2022 and expense has been accounted by INR 52 million as at 31 March 2023.		
During the year, the board, in its meeting dated 31 March 2024, has approved the cancellation of MSOP 2022 including all options granted and also approved the payment of lump sum cash consideration, based on the fair value of the said options cancelled, in lieu of cancellation of all options under MSOP 2022. On cancellation of MSOP 2022, INR 596 million has been accounted immediately in the statement of profit and loss as an acceleration of vesting. On the date of such cancellation, the fair value of the options of INR 745 million settled in cash and is accounted as a deduction from other equity.		
Note - 26 FINANCE COSTS	Year ended 31 March 2024	Year ended 31 March 2023
Interest cost on financial liabilities at amortised cost:		
Interest on borrowings	579	433
Interest on lease liability	196	136
Interest on delayed payments to vendors registered under the MSMED Act	5	6
Interest on others	80	55
Exchange differences regarded as an adjustment to borrowing costs	7	0
Other borrowing cost	23	20
Total	890	650

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 27 DEPRECIATION AND AMORTISATION EXPENSE		Year ended	Year ended
		31 March 2024	31 March 2023
Depreciation of property, plant and equipment (refer note 2(a))		370	260
Depreciation of right-of-use assets (refer note 2(b))		288	199
Amortization of other intangible assets (refer note 2(d))		809	669
Total		1,467	1,128

Note - 28 OTHER EXPENSES*		Year ended	Year ended
		31 March 2024	31 March 2023
Advertisement and marketing		907	2,038
Consumables		313	232
Freight and carriage outwards		213	155
Electricity charges		91	60
Insurance		33	26
Legal, professional and consultancy charges (refer note (a) below)		588	612
Warranty cost		429	572
Vehicle service and repairs		118	23
Web server charges and subscriptions		229	262
Rent and maintenance		119	95
Repairs and maintenance			
- Plant & machinery		12	5
- Vehicles		1	2
- Others		151	58
Charging infrastructure maintenance charges		44	45
Communication charges		160	97
Software license fee		209	126
Travelling and conveyance		222	216
Recruitment / training expenses		38	88
Security charges		42	40
Loss on fair value measurement of financial liabilities (refer note (b) below)		224	568
Assets discarded		12	104
Foreign exchange loss		7	22
Allowance for doubtful advance and receivables		58	8
Sundry balances written off (refer note (c) below)		6	0
Rates and taxes		15	19
Payment to auditors			
- Statutory audit fee and others		5	3
- Certification fees		3	-
- Reimbursement		0	-
Miscellaneous expenses		126	107
		4,375	5,583

*Total other expenses are net of capitalisation of 2023-24: INR 94 million (2022-23: INR 54 million)

Notes:

(a) Legal, professional and consultancy charges includes INR 59 million (2022-23 : Nil) towards the share based payment arrangements entered into with advisors in earlier

(b) Fair valuation of right to subscribe outstanding as at the year end.

(c) Net of allowance for doubtful advance utilised of INR 26 million (2022-23: Nil)

Note - 29 EXCEPTIONAL ITEMS		Year ended	Year ended
		31 March 2024	31 March 2023
Refund of charger price (refer note (a) below)		1,578	-
Refund of FAME incentive for differential battery capacity (refer note (a) below)		168	-
		1,746	-

Note:

(a) In response to a show cause notice ("SCN") dated 29 March 2023 from IFCI Limited on behalf of the Ministry of Heavy Industries ("MHI") in relation to certain matters under the FAME II and Phased Manufacturing Program ("PMP") guidelines, the Company vide its undertaking dated 23 May 2023, without prejudice agreed to voluntarily refund the price of the "Off board chargers" to all customers who purchased an off board charger as an accessory prior to 12 April 2023. Further, the Company has also voluntarily agreed to pay differential incentive amount claimed based on installed capacity against usable capacity.

The Company has recorded an expense of INR 1,578 Million towards refund of "Off board chargers related liability" and INR 168 Million towards adjustment of incentive for differential battery capacity (including interest). As on balance sheet date, the Company has refunded an amount of INR 1,467 million to the customers for liability towards "Off-board chargers" as of 31 March 2024. Against the outstanding liability of INR 111 million (excluding cheque issued but not presented of INR 23 million), a deposit is maintained in a bank account managed by IFCI Limited, which will be refunded back to the Company on actual payment of charger refund to customers and on submission of relevant documents of such refund. Further, the Company has paid an amount of INR 168 Million to MHI towards adjustment of incentive for differential usable battery capacity.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 30 Impairment of tangible and intangible assets including intangibles assets under development

The Company does its impairment evaluation on an annual basis and based on such evaluation as at 31 March 2024, the estimated recoverable amount of the Cash Generating Unit (CGU) exceeded its carrying amount. For the purpose of impairment testing, tangible assets, 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	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate	23.70%	26.80%
Long-term growth rate	5.00%	5.00%

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

Note - 31 EARNINGS PER SHARE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Loss for the year attributable to owners of the Company	(10,597)	(8,645)
Weighted average number of equity shares outstanding during the year	8,56,424	6,87,221
Earnings/ (loss) per share basic and diluted (in INR)	(12,374)	(12,580)

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

During the year, the Company's Basic and Diluted Earnings Per Share (EPS) have been adjusted retrospectively on issuance of 18,088 bonus CCPS in line with Ind AS 33 "Earnings Per Share".

Note - 32 TAX EXPENSE
(a) Effective tax rate

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Loss before tax	(10,597)	(8,645)
Tax @ 31.2%	(3,306)	(2,697)
Tax effect of :		
Expenses disallowed for tax	21	3
Deferred tax asset not recognised on account of absence of certainty on availability of future taxable profit	3,220	2,497
Others	65	197
Tax expense	-	-

(b) Un-recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property, plant and equipment	43	306
Right of use assets	464	575
	<u>507</u>	<u>881</u>
Deferred tax assets		
Carry forward business losses and unabsorbed depreciation	8,286	5,301
Lease liabilities	540	590
Provisions for employee benefits	180	148
Others	152	273
	<u>9,158</u>	<u>6,312</u>
Unrecognised deferred tax assets / (net)	8,651	5,431

The Company has not recognised deferred tax asset of INR 8,651 millions (31 March 2023: INR 5,431 million) generated mainly on account of carried forward loss (including unabsorbed depreciation) as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Ather Energy Private Limited**Notes to the financial statements for the year ended 31 March 2024**

(Amount in millions of INR unless otherwise stated)

Note - 33 OPERATING SEGMENTS

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely automotive segment.

Geographical information

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contracts with customers		
India	17,474	17,787
Other countries	64	22
	17,538	17,809

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current assets		
India	6,688	6,508
Other countries	-	-
	6,688	6,508

Information about major customers

In current year one major individual customer having revenue of INR 1,832 million which was aggregating to 11% of total revenues. (In previous year 31 March 2023 also, one individual customer having revenue of INR 1,978 million which was aggregating to 11% of total revenues).

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 34 EMPLOYEE BENEFIT PLANS
A. Contribution to provident fund (Defined contribution):

The Company make contributions to provident fund which is a defined contribution plan and the Company has no obligation other than to make the specified contributions. During the year, the Company has charged INR 115 million (31 March 2023 : INR 89 million) to the statement of profit and loss towards defined contribution plans.

B. Gratuity (Defined benefit plan):

The Company provides for gratuity for employees in India as per the Gratuity Act. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Company is unfunded.

Changes in the present value of obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation at the beginning of the year	103	66
Expenses recognised in statement of profit and loss		
Current service cost	43	45
Interest expense	7	4
Re-measurement or actuarial (gain) / loss arising from		
Demographic assumptions	7	-
Financial assumptions	2	(41)
Experience adjustments	17	35
Benefit payments	(7)	(6)
Present value of defined benefit obligation at the end of the year	172	103
Fair value of plan assets as at 31 March	-	-
Net liability recognised in the Balance Sheet	172	103
Current portion of the above	17	11
Non current portion of the above	155	92

Expense recognised in the statement of profit and loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	43	45
Net interest expense	7	4
	50	49

Remeasurement effects recognised in other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial gains and loss arising form changes in financial assumptions	2	(41)
Actuarial gains and loss arising form demographic assumptions	7	-
Actuarial gains and loss arising form experience adjustments	17	35
	26	(6)

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

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.30%	7.40%
Salary escalation rate	10.00%	10.00%
Attrition rate	15.00%	18.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate table	

Ather Energy Private Limited**Notes to the financial statements for the year ended 31 March 2024**

(Amount in millions of INR unless otherwise stated)

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<i>Discount rate</i>		
100bps Increase	(11)	(6)
100bps Decrease	13	7
<i>Salary escalation rate</i>		
100bps Increase	10	6
100bps Decrease	(9)	(5)
<i>Attrition rate</i>		
25% Increase	(9)	(6)
25% Decrease	10	7

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 year.

Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Within 1 year	17	11
1-5 year	83	57
5-10 year	73	45
10 years and above	148	64

Note - 35 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt (Custom Duties, GST & litigation)	9	3
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	406	280

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 36 RELATED PARTY DISCLOSURES
List of related parties and relationship
Party which has significant influence

1. Hero MotoCorp Limited
2. Sachin Bansal (up to 17th May 2022)

Party over which Hero MotoCorp Limited has significant influence

1. Hero FinCorp Limited

Key Managerial Personnels (KMPs)

1. Tarun Sanjay Mehta - Director
2. Swapnil Babanlal Jain - Director
3. Reeta Nathwani - Director (up to 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 (up to 31 March 2024)
9. Sohil Parekh - Chief Financial Officer (w.e.f. 01 April 2024)
10. Raj Kiran Sitaramu Badavanahalli - Company Secretary (up to 31 July 2022)
11. Nakul Upadhyaya - Company Secretary (w.e.f. 01 August 2022 up to 10 November 2022)
12. Puja Aggarwal - Company Secretary (w.e.f. 26 April 2023)

Related party transactions:	Year ended 31 March 2024	Year ended 31 March 2023
Issue of compulsorily convertible preference shares		
Hero MotoCorp Limited	5,000	2,625
Issue of bonus compulsorily convertible preference shares (refer note 16(i))		
Hero MotoCorp Limited	283	-
Issue of compulsorily convertible preference shares on conversion of compulsorily convertible debentures		
Hero MotoCorp Limited	-	1,500
Term loans taken		
Hero FinCorp Limited	-	1,500
Repayment of term loan		
Hero FinCorp Limited	1,064	1,319
Interest on term loan*		
Hero FinCorp Limited	216	175
Deposit given to / (refunded by) lender		
Hero FinCorp Limited	(295)	295
Interest subvention		
Hero FinCorp Limited	3	-
Revenue from charging infrastructure usage		
Hero MotoCorp Limited	0	-
Expense on charging infrastructure usage		
Hero MotoCorp Limited	1	-
Commission income		
Hero FinCorp Limited	1	-
Fair valuation impact of right to subscribe liability		
Hero MotoCorp Limited	(84)	367
Hero FinCorp Limited	(12)	22
Managerial remuneration paid to key managerial personnel		
Employee benefits**	214	76
Share based payments (refer note 25(a))	667	399

Ather Energy Private Limited

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

(Amount in millions of INR unless otherwise stated)

Balances outstanding with respect to related parties	As at 31 March 2024	As at 31 March 2023
Term loan		
Hero FinCorp Limited	1,076	2,140
Interest accrued on long term debts		
Hero FinCorp Limited	1	5
Deposit with lender		
Hero FinCorp Limited	24	350
Receivable towards income accounted		
Hero MotoCorp Limited	0	-
Hero FinCorp Limited	0	-
Payable towards expenses accounted		
Hero MotoCorp Limited	1	-
Liability towards key managerial personnel**		
Employee benefits	84	-
Share based payments (refer note 25(a))	808	431
Liability towards right to subscribe		
Hero MotoCorp Limited	-	367
Hero FinCorp Limited	25	37

*Excludes INR 16 millions (31 March 2023: INR 17 millions) charged to statement of profit & loss on account of effective interest rate calculation as per Ind AS.

**The Actuarial Valuation Report of Gratuity and Compensated absence liabilities are taken for the entire Company without any bifurcation to any specific employee, hence it is not included in related party transaction.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

(Amount in millions of INR unless otherwise stated)

Note - 37 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT
i) The carrying value of financial assets by categories is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Measured at fair value through statement of profit and loss (FVTPL)		
Investment in mutual funds	2,922	2,859
	2,922	2,859
Measured at amortised cost		
Trade receivables	16	12
Cash and cash equivalents	2,279	826
Other balances with banks	2,199	936
Loans	2	-
Other financial assets	1,323	3,898
	5,819	5,672

ii) The carrying value of financial liabilities by categories is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Measured at fair value through statement of profit and loss (FVTPL)		
Stock appreciation rights	350	415
Right to subscribe	44	617
	394	1,032
Measured at amortised cost		
Borrowings	3,149	4,852
Lease liabilities	1,628	1,864
Trade payables	4,027	3,837
Other financial liability	1,057	410
	9,861	10,963

The management assessed that carrying value of cash and cash equivalent, trade receivables, trade payables, other financial assets, other financial liability, lease liabilities and borrowings approximates their fair value largely due to short-term maturities of these instruments.

iii) Fair value hierarchy

The section explains the judgement and estimates made in determining the fair value of the financial instruments that are:

a) recognised and measured at fair value.

b) measured at amortised cost and for which fair values are disclosed in the financial statement.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels as mentioned under Indian accounting standards.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity share, quoted debt instruments and mutual fund investments. The fair values of investments in units of mutual fund are based on the Net Asset Value (NAV) as per the fund statement.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are certain financial assets and liabilities which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets and liabilities are determined:

Particulars	Fair value as at 31 March 2024		
	Level 1	Level 2	Level 3
Financial assets and measured at fair values			
Investments	2,922	-	-
Financial liabilities and measured at fair values			
Stock appreciation rights	-	-	350
Right to subscribe	-	-	44
Particulars	Fair value as at 31 March 2023		
	Level 1	Level 2	Level 3
Financial assets and measured at fair values			
Investments	2,859	-	-
Financial liabilities and measured at fair values			
Stock appreciation rights	-	-	415
Right to subscribe	-	-	617

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 - 38 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 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.

A. CREDIT RISK

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 wherever available and if not available, the Company uses other publicly available financial information and its own trading records to rate its major customer. 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.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, trade receivables and other financial assets. None of the financial instruments of the Company result in material concentrations of credit risks.

B. 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.

Particulars	Carrying value	Less than 1 Year	1-5 Years	5 years and above	Total
As at 31 March 2024					
Trade Payable	4,027	4,027	-	-	4,027
Borrowings	3,149	3,107	320	-	3,427
Lease liabilities	1,628	383	1,229	1,082	2,694
Other financial liabilities	1,451	1,451	-	-	1,451
	10,255	8,968	1,549	1,082	11,599
As at 31 March 2023					
Trade Payable	3,837	3,837	-	-	3,837
Borrowings	4,852	4,036	1,293	-	5,329
Lease liabilities	1,864	364	1,564	1,215	3,143
Other financial liabilities	1,442	1,442	-	-	1,442
	11,995	9,679	2,857	1,215	13,751

C. 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: interest rate risk, currency risk and other price risk such as equity 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.

i. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long term borrowings and short term borrowings with variable rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate risk exposure

Particulars	As at 31 March 2024	As at 31 March 2023
Floating rate borrowings	1,165	2,389

Sensitivity analysis

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(Increase) or decrease in loss		
Interest rates – increase by 100 basis points (100 bps)	(12)	(24)
Interest rates – decrease by 100 basis points (100 bps)	12	24

Ather Energy Private Limited

(Amount in millions of INR unless otherwise stated)

Notes to the financial statements for the year ended 31 March 2024
ii. Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The 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.

Foreign currency sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. (+) / (-) 1% 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 year end for a 1% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens (+) / (-) 1% against the relevant currency. For a 1% 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.

Particulars	USD	EURO	CHF
As at 31 March 2024			
A. Exposure			
In foreign currency (absolute numbers)			
Trade payables	80,02,496	1,780	-
Borrowings	40,22,460	-	-
In functional currency (INR in millions)			
Trade payables	667	0	-
Borrowings	335	-	-
Increase or (decrease) in loss for the year ended 31 March 2024			
B. Sensitivity analysis			
1% Increase (in functional currency, INR in million)			
Trade payables	7	0	-
Borrowings	3	-	-
1% Decrease (in functional currency, INR in million)			
Trade payables	(7)	(0)	-
Borrowings	(3)	-	-
As at 31 March 2023			
A. Exposure			
In foreign currency (absolute numbers)			
Trade payables	69,433	450	835
Borrowings	24,54,400	-	-
In functional currency (INR in millions)			
Trade payables	6	0	0
Borrowings	203	-	-
Increase or (decrease) in loss for the year ended 31 March 2023			
B. Sensitivity analysis			
1% Increase (in functional currency, INR in million)			
Trade payables	0	0	0
Borrowings	2	-	-
1% Decrease (in functional currency, INR in million)			
Trade payables	(0)	(0)	(0)
Borrowings	(2)	-	-

iii. Other price risk

The Company's exposure to price risk arises for investment in mutual funds held by the Company. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Note - 39 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- to augment 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, instrument entirely equity in nature 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 2024	As at 31 March 2023
Total equity attributable to the equity shareholders	5,459	6,137
Long term borrowings including current maturities	1,201	2,315
Short term borrowings	1,035	2,193
Non convertible debentures	913	344
Lease liabilities	1,628	1,864
Total debt	4,777	6,716
Debt to equity ratio	0.88	1.09

Note - 40 ADDITIONAL REGULATORY REQUIREMENT

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Variance	Reason for variance
Current ratio - (no. of times)	Current assets	Current liabilities	1.14	1.28	-11.00%	-
Debt-equity ratio - (no. of times)	(Long term borrowing + short term borrowing+non-current liabilities + current lease liabilities)	Total equity	0.88	1.09	-20.04%	-
Debt service coverage ratio - (no. of times)	Profit/(loss) before depreciation + amortisation + finance costs + exceptional items and tax	Interest expenses + Principal repayments of long-term debt + payment of lease liabilities	(2.26)	(2.88)	-21.68%	-
Return on equity ratio - (no. of times)	Loss for the period	Average Equity	(1.83)	(2.06)	-11.35%	-
Inventory turnover ratio - (no. of times)	Cost of goods sold	Average inventory	8.72	10.03	-13.06%	-
Trade receivable turnover ratio - (no. of times)	Revenue from operations	Average trade receivables	1,252.71	1,619.00	-22.62%	-
Trade Payable turnover ratio - (no. of times)	Total purchases & other expenses, other than non-cash	Average accounts payable	4.71	8.86	-46.83%	Mainly due to decrease in consumption and higher average payable during the year.
Net capital turnover ratio - (no. of times)	Revenue from operations	Average working capital (i.e Current assets (-) Current liabilities)	7.94	19.14	-58.53%	Mainly due to increase in average net working capital during the year.
Net profit ratio (%)	Profit or (loss) for the year	Revenue from operations	-60.42%	-48.54%	24.47%	Mainly due to increase in loss for the year.
Return on capital employed (%)	Earning before interest and tax	Capital employed (i.e Tangible net worth + debt)	-118.69%	-69.94%	69.70%	Mainly due to loss incurred during the year.
Return on investment	Net gain on disposal / fair valuation of investments carried at fair value through profit & loss	Time weighted average investment	7.58%	5.99%	26.54%	Mainly due to increase in average return on investments held during current year.

Ather Energy Private Limited
Notes to the financial statements for the year ended 31 March 2024

Note - 41

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 - 42

a. Details of the stock option plans of the Company

Areas	Employee stock option plan		Management stock option plan		Founders stock option plan	
	Liquidity Events /Cash settlement / Buy back / Purchase by Investor / IPO	Liquidity Event or 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	Not applicable		
Retirement	Allowed to carry vested options till liquidity event	Not defined	Not defined	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event		
Death	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event.	Allowed to carry vested options till exit event	Allowed to carry vested options till exit event	Unvested options shall vest immediately allowed to carry vested options till liquidity event.		
Termination due to permanent incapacity	Unvested option shall be vested immediately and allowed to carry vested options till liquidity event.	Not defined	Not defined	Options Lapse		
Abandonment	Vested and unvested options shall be cancelled	Not defined	Not defined	At the discretion of the Board		
Any other reasons	At the discretion of the Board	Options Lapse	Options Lapse	As defined in Liquidity event		
Reconstruction	As defined in Liquidity event	As defined in Exit event	As defined in Exit event	Termination due to breach		
Lapse	Cash settlement / Buy back / Purchase by Investor / IPO/ Abandonment	Resignation/ Termination due to breach	Resignation/ Termination due to breach			
Lock in Period	Not applicable	Not defined	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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Outstanding at the beginning of the year						
Granted/adjustment	38,835	30,891	46,598	-	3,476	-
Exercised	8,510	10,725	-	46,598	-	3,476
Cancelled	-	-	-	-	-	-
Cash settled	(766)	(1,231)	(46,598)	-	-	-
Outstanding at the end of the year						
Exercisable at the end of the year	46,579	38,835	-	46,598	3,476	3,476
	33,992	20,158	-	-	3,476	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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Weighted average share price (Rs)	1 to 78,008	1 to 78,008	-	52,291	48,926	48,926
Exercise Price (Rs)	1	1	-	1	1	1
Expected Volatility	35%	40%	-	54%	40%	40%
Expected life of the Options	5-8 years	5-8 years	-	4.59 years	1.5 years	1.5 years
Expected Dividends (%)	0%	0%	-	0%	0%	0%
Risk free interest rate (%)	6.86% - 7.11%	6.32% - 7.19%	-	7.00%	4.76%	4.76%

* During the previous year, value of share price is calculated as per Black Scholes method and number of units that are expected to vest is calculated using Monte Carlo simulation.

Note: In addition to above, the Company has issued 2,403 options (31 March 2023 : 2,403) to be settled in equity under the share based payment arrangement entered with advisors in earlier years.

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 Applicable
Death	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event	Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event
Termination due to permanent incapacity	Unvested options shall vest immediately and allowed to carry vested options till liquidity event	Unvested options shall vest immediately allowed to carry vested options 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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Outstanding at the beginning of the year	3,588	3,588	1,738	-
Granted/adjustment	164	-	-	1,738
Cancelled	-	-	-	-
Outstanding at the end of the year	3,752	3,588	1,738	1,738

Note: In addition to above, the Company has issued 164 options (31 March 2023 : 164) to be settled in cash under the share based payment arrangement entered with advisors in earlier years.

Ather Energy Private Limited
Notes to the financial statements for the year ended March 31, 2024
Note - 43

The financial statements are presented in INR 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 INR in million are given below as applicable:

Balance Sheet as at 31 March 2024	As at 31 March 2024	As at 31 March 2023
ASSETS		
NON CURRENT ASSETS		
Capital work-in-progress	2,58,232	-
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	2,41,640	2,41,640

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 01 April 2022	1,10,830	1,10,830	3,530	1,30,610
Issue of equity share during the year	200	200	-	-
As at 31 March 2023	1,11,030	1,11,030	3,530	1,30,610
Issue of equity share during the year	-	-	-	-
As at 31 March 2024	1,11,030	1,11,030	3,530	1,30,610

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

Particulars	Compulsorily convertible preference shares of INR 1 each	
	No. of Shares	Amount
As at 01 April 2022	74,732	74,732
Issue of compulsorily convertible preference share during the year	-	-
As at 31 March 2023	74,732	74,732
Issue of compulsorily convertible preference share during the year	-	-
As at 31 March 2024	74,732	74,732

D. Other equity

Particulars	Reserves and Surplus			Total
	Retained earnings	Securities Premium	Stock Options Outstanding Account	
Issue of bonus shares during the year	-	1,80,880	-	1,80,880

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

Particulars	Furniture and Fittings	Vehicles	Electronic Equipment
Accumulated depreciation as at 01 April 2022	1,98,913	-	-
Reversal of accumulated depreciation on disposal during 2022-23	-	(4,54,453)	-
Reversal of accumulated depreciation on disposal during 2023-24	(3,86,066)	(2,72,120)	(1,84,582)

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the end of the year	2,58,232	-

Capital work-in-progress (CWIP) ageing as at 31 March 2024

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	2,58,232	-	-	-	2,58,232
Total	2,58,232	-	-	-	2,58,232

Note - 3 OTHER FINANCIAL ASSETS

	Year ended 31 March 2024	Year ended 31 March 2023
Non-current		
Term deposits* (with original maturity of more than 12 months)	57,000	-

Note - 5 INVENTORIES

	Year ended 31 March 2024	Year ended 31 March 2023
Work-in-progress	3,55,972	-

Ather Energy Private Limited
Notes to the financial statements for the year ended March 31, 2024

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement

Note - 7 TRADE RECEIVABLES

Trade receivables ageing as at 31 March 2024

Particulars	Outstanding for the following periods from transaction date					
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed						
- Considered good	-	-	4,66,172	-	-	-

Trade receivables ageing as at 31 March 2023

Particulars	Outstanding for the following periods from transaction date					
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed						
- Considered good	-	-	55,333	-	-	-

Note - 13 OTHER EQUITY

	Year ended 31 March 2024	Year ended 31 March 2023
Issue of bonus shares issued during the year	1,88,080	-

Note - 19 TRADE PAYABLES

(a) Trade Payables ageing as at year ended 31 March 2024

Particulars	Outstanding for the following periods from transaction date				
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years
Undisputed					
- MSME	-	-	2,50,427	-	-
- Others	-	-	-	27,193	1,89,595

(b) Trade Payables ageing as at year ended 31 March 2023

Particulars	Outstanding for the following periods from transaction date				
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years
Undisputed					
- MSME	-	-	5,486	-	1,04,038
- Others	-	-	-	-	-

(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
Chai Kahani Cafes And Services P. Ltd.	35,746	-	-	-

Note - 24 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS

	Year ended 31 March 2024	Year ended 31 March 2023
- Stock-in-trade capitalised	-	(1,57,016)
Inventories at the end of the year		
- Work-in-progress	3,55,792	-

Note - 26 FINANCE COSTS

	Year ended 31 March 2024	Year ended 31 March 2023
Exchange differences regarded as an adjustment to borrowing costs	-	3,55,039

Note - 28 OTHER EXPENSES

	Year ended 31 March 2024	Year ended 31 March 2023
Sundry balances written off	-	4,82,520
Payment to auditors		
- Reimbursement	2,65,997	-

Note - 36 RELATED PARTY DISCLOSURES

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from charging infrastructure usage		
Hero MotoCorp Limited	4,14,174	-

Balances outstanding with respect to related parties

Receivable towards income accounted		
Hero MotoCorp Limited	4,50,994	-
Hero FinCorp Limited	1,56,038	-

Ather Energy Private Limited

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

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement

Note - 38 FINANCIAL RISK MANAGEMENT FRAMEWORK

Foreign currency sensitivity

Particulars	USD	EURO	CHF
As at 31 March 2024			
A. Exposure			
In functional currency (INR)			
Trade payables	-	1,60,567	-
B. Sensitivity analysis			
1% Increase (in functional currency, INR)			
Trade payables	-	1,606	-
1% Decrease (in functional currency, INR)			
Trade payables	-	(1,606)	-
As at 31 March 2023			
A. Exposure			
In functional currency (INR)			
Trade payables	-	39,096	57,724
B. Sensitivity analysis			
1% Increase (in functional currency, INR)			
Trade payables	57,301	391	577
1% Decrease (in functional currency, INR)			
Trade payables	(57,301)	(391)	(577)

Ather Energy Private Limited**Notes to the financial statements for the year ended 31 March 2024****Note 44**

As of balance sheet date, the Company has an aggregate sum of INR 1 million equivalent to USD 7,321 and EURO 450 (31 March 2023: INR Nil) 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 45

According to the management's evaluation at events subsequent to the balance sheet date there were no significant adjusting events that occurred other than those disclosed/given effect to, in these financial statements as of 31 March 2024.

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,

Note 47

As at 31 March 2024 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 48

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

Note 49

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

Note 50

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

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
Digitally signed
by TARUN
SANJAY MEHTA
Date: 2024.05.06
14:40:30 +05'30'
Tarun Sanjay Mehta
Director
DIN: 6392463

SWAPNIL
BABANLA
L JAIN
Digitally signed
by SWAPNIL
BABANLAL JAIN
Date: 2024.05.06
14:41:46 +05'30'
Swapnil Babanlal Jain
Director
DIN: 6682759

SOHIL
DILIPKUMA
R PAREKH
Digitally signed by
SOHIL DILIPKUMAR
PAREKH
Date: 2024.05.06
15:25:45 +05'30'
Sohil Parekh
Chief Financial Officer

Puja
Aggarwal
Digitally signed
by Puja Aggarwal
Date: 2024.05.06
14:50:50 +05'30'
Puja Aggarwal
Company Secretary

Date: 06 May 2024
Place: Bengaluru