B D Bansal & Co
CHARTERED ACCOUNTANTS

503, DLF South Court, Saket District Centre, New Delhi-110017
Tel: 011-41758897 | E-Mail: delhi@bdbansal.com
34-A, Court Road, Amritsar, Punjab -143001
Tel: 0183-2402224 | Fax: Ext # 104 | amritsar@bdbansal.com
7 G.F., Sant Isher Singh Nagar, Pakhowal Road, Ludhiana, Punjab-141002
Tel: 0161-2406301 | E-Mail: ludhiana@bdbansal.com
www.bdbansal.com

Independent Auditor's Report

To the Members of M/s. HYM DRIVE SYSTEMS PRIVATE LIMITED

Report on Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **HYM DRIVE SYSTEMS PRIVATE LIMITED *("the Company")*** which comprise the Balance Sheet as at March 31, 2024, 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 material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by 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 losses, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

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 generally accepted in India. 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 implementation and maintenance of accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

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

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

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

2. As required by section 143 (3) of the Act, 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 purpose 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 matter stated in paragraph h (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) rules, 2014.

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

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

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

e) On the basis of 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;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under section 143(3)(b) of the Act and paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

i. The Company does not have any pending litigations which has an impact on its financial statements.

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

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

iv. (i) The management has represented that, to the best of it's knowledge and belief, 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, whether, 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;

(ii) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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; and

B.D. BANSAL & CO. ★ CHARTERED ACCOUNTANTS ★

(iii) Based on audit procedures which we 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) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination which includes test checks and according to the information and explanations given to us, except for the instances mentioned below the company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year all relevant transactions recorded in the software:

(a) The feature of recording audit trail (edit log) facility was not enabled for any changes made using privileged/administrative access rights at the database level till the close of 13/01/2024 to log any direct data changes for the accounting software used for maintaining the books of account. *(Refer Note No 52 (j) to the notes to accounts of the financial statements.)*

However, The Company is in the process of activation of audit trail features at the database level.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating.

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of Act, the company has not paid any remuneration to its directors during the year. The ministry of corporate affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For B.D Bansal & Co
Chartered Accountants
Firm Regn.No.000621N

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

(Sumit Kumar Bansal)
Partner
M. No.: 099496
UDIN: 24099496BKCUMQ1044

Place: Ludhiana
Date: 27.05.2024

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report to the members of **M/S HYM DRIVE SYSTEMS PRIVATE LIMITED** *("Company") of even date to the financial statements of the Company for the year ended March 31, 2024:*

To the best of our information and according to the explanations provided to us by the company and the books of accounts examined by us in the normal course of audit, 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.

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

(b) The company has a program of physical verification of its Property, Plant and Equipment so to cover all the assets once every three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. Since this was the second year of entity's operations, hence physical verification was not due as assets were installed after due verification during the preceding financial year.

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

(d) The company has not revalued any of its Property, Plant and Equipment and Intangible assets during the year.

(e) No Proceedings have been initiated during the year or are pending against the company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

ii) (a) The inventory; except goods-in-transit; in the custody of the company has been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by the management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The company has not availed any working capital facility from any bank during the year. Hence, this clause is not commented upon.

iii) The Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms,

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Limited Liability Partnerships or any other parties duting the year. Accordingly, reporting under clause 3(iii) (a) to (f) of the order is not applicable.

iv) The company has not made any investments, given any loans or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013.

v) The company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence reporting under clause 3(v) of the Order is not applicable.

vi) In our opinion and according to the information and explanations given to us, pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

vii) In respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax and any other material statutory dues applicable to it to the appropriate authorities.

No undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable except the following.

Name of Statute	Nature of Dues	Amount in Lakhs	Period to which it relates
Punjab State Developmet Tax	Profeesional tax	0.076	2023-24

b) There are no dues of the Statutory Dues as referred to in clause (a) on account of any dispute

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) The Company has not obtained any term loans. Hence reporting under clause 3(ix) (c) of the Order is not applicable.

B.D. BANSAL & CO. ★ CHARTERED ACCOUNTANTS ★

(d) The Company has not raised any funds on short term basis during the year. Hence reporting under clause 3(ix) (d) of the Order is not applicable.

(e) & (f) The Company does not have any subsidiary, associate, or joint venture and accordingly the reporting under clause 3 (ix) (e) and (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 the reporting under clause 3 (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, partially or optionally convertible) and hence the reporting under clause 3(x) (b) of the Order is not applicable.

xi) (a) Considering the principle of materiality outlined in the standards on auditing, no fraud by the Company or on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors 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 are no whistle-blower complaints received by the company during the year.

xii) The Company is not a Nidhi Company and hence the reporting under the clause 3 (xii) (a) to (c) of the Order is not applicable.

xiii) In our opinion, the company is in compliance with sections 177 and 188 of Companies Act, 2013 with respect to the applicable transaction with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.

(xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013. Hence, the reporting under clause 3(xiv)(a)and (b) is not applicable.

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

(xvi) (a) & (b) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the reporting under clause 3(xvi) (a) &(b) of the Order is not applicable.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

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

(d) The Group does not have any CIC. Accordingly, reporting under clause 3(xvi) (d) of the Order is not applicable.

(xvii) The Company has incurred cash losses of Rs. 205.67 lakhs in the current financial year and Rs. 101.60 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year. Hence, this clause is not commented upon.

(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, 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 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, will get discharged by the company as and when they fall due.

(xx) The provisions of section 135 of the Companies Act are not applicable to the company for the year under consideration. Hence, the reposting under clause 3 (xx) (a) to (b) of the Order is not commented upon.

For B D Bansal & Co
Chartered Accountants
(FRN) Regn.No.000621N

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

(Sumit Kumar Bansal)
Partner

Place: Ludhiana
Date: 27.05.2024

M. No.: 099496
UDIN: 24099496BKCUMQ1044

Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of HYM DRIVE SYSTEMS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of **HYM DRIVE SYSTEMS PRIVATE LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For B D Bansal & Co
Chartered Accountants
Firm Regn.No.000621N

(Sunil Kumar Bansal)
Partner
M. No.: 099496
UDIN: 24099496BKCUMA1044

Place: Ludhiana
Date: 27.05.2024

HYM DRIVE SYSTEMS PRIVATE LIMITED
CIN: U35999PB2022PTC055274
BALANCE SHEET AS AT MARCH 31'2024

(All amounts in ₹ Lakh's unless stated otherwise)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Non-Current Assets			
Property, Plant and Equipment	3	2,019.21	1,583.54
Capital-Work-in-Progress	4	256.48	-
Right of use Assets	5	453.01	467.52
Intangible Assets	6	229.32	103.06
Intangible assets under development	4a	69.82	-
Deferred Tax Assets (Net)	7	41.20	32.53
Other Non-Current Assets	8	21.44	341.26
Sub-Total (Non-Current Assets)		**3,090.48**	**2,527.91**
Current Assets			
Inventories	9	124.83	58.44
Financial Assets			
(I) Trade Receivables	10	27.91	0.92
(II) Cash and Cash Equivalents	11	34.58	107.33
(III) Other Bank Balances	12	-	502.18
Other Current Assets	13	331.05	176.55
Sub-Total (Current Assets)		**518.37**	**845.42**
Total Assets		**3,608.85**	**3,373.33**
Equity and Liabilities			
Equity			
Equity Share Capital	14	3,200.00	3,182.19
Other Equity	15	(438.65)	(106.64)
Sub-Total (Equity)		**2,761.35**	**3,075.55**
Liabilities			
Non-Current Liabilities			
Long Term Provisions	16	27.49	18.71
Sub-Total (Non-Current Liabilities)		**27.49**	**18.71**
Current Liabilities			
Financial Liabilities			
(I) Borrowings	17	646.00	-
(II) Trade Payables			
a) Total Outstanding dues of Micro and Small Enterprises	18	0.53	0.90
b) Total Outstanding dues Other than Micro and Small Enterprises		38.04	30.25
(III) Others	19	129.38	214.41
Other Current Liabilities	20	4.83	6.05
Short Term Provisions	21	0.67	23.94
Current Tax Liabilities (Net)	22	0.56	3.53
Sub-Total (Current Liabilities)		**820.01**	**279.07**
Total Equity and Liabilities		**3,608.85**	**3,373.33**

Summary of Material accounting policies, accounting judgements, estimates and assumptions (Notes 1 to 52)
The accompanying notes referred to above form an integral part of the standalone financial statements

As per our report of even date

For BD Bansal & Co.
Chartered Accountants
FRN: 000621N

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Sumit Kumar Bansal
Partner
ACCA 099496

For HYM Drive Systems Private Limited

Abhishek Munjal
Director
DIN-05355274

Amit Gupta
Director
DIN-02990732

Neeraj Saxena
CFO
PAN-AONPS7722J

Prerna Joshi
Company Secretary
A52550

Place: Ludhiana
Date: 27/05/24

HYM DRIVE SYSTEMS PRIVATE LIMITED

CIN: U35999PB2022PTC055274

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

(All amounts in ₹ Lakh's unless stated otherwise)

		Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
(I)	**REVENUES:**				
		Revenue from Operations	23	90.25	5.63
		Other Income	24	3.71	23.51
	(I)	**Total Revenues (I)**		**93.96**	**29.14**
(II)	**EXPENSES:**				
		Cost of Materials Consumed	25	83.02	1.79
		Purchases of stock-in-trade	26	0.57	3.69
		Changes in inventories of Finished Goods and Work-in-Progress	27	(1.63)	(2.01)
		Employee Benefits Expenses	28	120.78	80.27
		Finance Costs	29	8.39	0.56
		Depreciation and Amortization Expenses	3&4,6	122.02	31.65
		Other Expenses	30	88.52	46.43
	(II)	**Total Expenses (II)**		**421.65**	**162.39**
(III)	**Profit Before Tax (I-II)**			**(327.69)**	**(133.25)**
(IV)	**Tax Expenses:**				
		Current Tax		0.93	5.92
		Provision/(Credit) for Deferred Tax		(8.64)	(32.53)
	(D)	Tax related to Previous Years		(5.92)	-
(V)	**Profit from Continued Operations (III-IV)**			**(314.07)**	**(106.64)**
(VI)	**Other Comprehensive Income**		**31**		
		Items that will not be reclassified to Profit & Loss			
		(i) Re-measurement (gain)/loss on defined benefit plans		0.16	-
		(ii) Tax on (i) above		(0.03)	-
	Total Other Comprehensive Income (VI)			**0.13**	-
(VII)	**Total Comprehensive Income for the Period (V+VI)**			**(314.20)**	**(106.64)**
(VIII)	**Earnings Per Equity Shares**		**32**		
		Basic (in ₹)		(0.98)	(0.34)
		Diluted (in ₹)		(0.98)	(0.34)

Summary of Material accounting policies, accounting judgements, estimates and assumptions (Notes 1 to 52)

The accompanying notes referred to above form an integral part of the standalone financial statements

As per our report of even date

For BD Bansal & Co.

Chartered Accountants

FRN: 000621N

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Sumit Kumar Bansal

Partner

M.No. 093496

For HYM Drive Systems Private Limited

Abhishek Munjal
Director
DIN-05355274

Amit Gupta
Director
DIN-02990732

Neeraj Saxena
CFO
PAN-AONPS7722J

Prerna Joshi
Company Secretary
A52550

Place: Ludhiana

Date: 27/05/24

HYM DRIVE SYSTEMS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31'2024

(All amounts in ₹ Lakh's unless stated otherwise)

	Particulars	Year ended March 31,2024	Year ended March 31,2023
(I)	**Operating Activities**		
	Profit Before Tax	(327.69)	(133.25)
	Profit Before Tax	**(327.69)**	**(133.25)**
	Adjustments for Non-Cash Items -		
	Depreciation and Amortization Expenses	122.02	31.65
	Defined Benefit Plans Charges to OCI	(0.16)	-
	Finance Cost	8.39	0.56
	Interest Income	(3.71)	(23.51)
	Operating profit before working capital adjustments	**(201.15)**	**(124.55)**
	Adjustments for Working Capital Changes -		
	(Increase)/Decrease in Other Non Current Assets	319.81	(341.26)
	(Increase)/Decrease in Trade Receivables	(26.99)	(0.92)
	(Increase)/Decrease in Other Receivables	(154.50)	(176.55)
	(Increase)/Decrease in Inventories	(66.38)	(58.44)
	Increase/(Decrease) in Trade and Other Payables	7.42	31.14
	Increase/(Decrease) in Payables and Provisions	(103.71)	266.64
	Cash generated from operations	**(225.49)**	**(403.95)**
	Taxes(Paid)/Received (Net of TDS&TCS)	4.98	(5.92)
	Net cash flow from Operating Activities (I)	**(220.51)**	**(409.86)**
(II)	**Investing Activities**		
	Purchase of Property, Plant and Equipment & Intangible	(995.74)	(2,185.77)
	Interest received	3.71	23.51
	Net cash flow from Investing Activities (II)	**(992.03)**	**(2,162.26)**
(III)	**Financing Activities**		
	Proceeds from issue of Equity Share Capital	-	3,182.19
	Proceeds/(Repayment) from Short-term Borrowings(Net)	646.00	-
	Interest and Financial Charges	(8.39)	(0.56)
	Net cash flow from Financing Activities (III)	**637.61**	**3,181.63**
	Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)	**(574.92)**	**609.51**
	Cash and Cash Equivalents as at Beginning of the Year (A)	609.51	-
	Cash and cash equivalents as at the End of the Year (B)	34.58	609.51
	Net Increase/(Decrease) in Cash and Cash Equivalents (B-A)	**(574.92)**	**609.51**

Summary of Material accounting policies, accounting judgements, estimates and assumptions (Notes 1 to 52)

The accompanying notes referred to above form an integral part of the standalone financial statements

As per our report of even date

For BD Bansal & Co.
Chartered Accountants
FRN: 000621N

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Sumit Kumar Bansal
Partner
M.No. 099496

For HYM Drive Systems Private Limited

Abhishek Munjal
Director
DIN-05355274

Amit Gupta
Director
DIN-02990732

Neeraj Saxena
CFO
PAN-AONPS7722J

Prerna Joshi
Company Secretary
A52550

Place: Ludhiana
Date: 27/05/24

HYM DRIVE SYSTEMS PRIVATE LIMITED

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31,2024

(All amounts in ₹ Lakh's unless stated otherwise)

A. Equity Share Capital

Particulars	As at April 1, 2022	Changes in Equity Share Capital during 2022-23	As at March 31, 2023	Changes in Equity Share Capital during 2023-24	As at March 31, 2024
Share Capital	3,182.19	-	3,182.19	-	3,182.19
Share capital fees	17.81	-	17.81	-	17.81
Total	3,200.00	-	3,200.00	-	3,200.00

B. Other Equity

Particulars	Reserve & Surplus		Other Comprehensive Income (OCI)	Total
			Items that will not be Reclassified to Profit or Loss	
	Retained Earnings	General Reserve	Re-measurement of the net defined benefit plans	
As at April 1, 2022	-	-	-	-
Profit/(Loss) for the Year	(106.64)	-	-	(106.64)
Other additions/disposals	-	-	-	-
Transfer from Retained Earnings	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-
As at March 31, 2023	(106.64)	-	-	(106.64)
Profit/(Loss) for the Year	(314.07)	-		(314.07)
Other additions/disposals	-	-	-	-
Regrouping	(17.81)	-	-	(17.81)
Other Comprehensive Income for the Year	-	-	(0.13)	(0.13)
As at March 31, 2024	(438.52)	-	(0.13)	(438.65)

For Description of the purspose of each reserve within equity,refer note 19 of these financial statements

The accompanying notes referred to above form an integral part of the standalone financial statements

As per our report of even date

For BD Bansal & Co.
Chartered Accountants
FRN: 0000[illegible]N

Sumit Kumar Bansal
Partner
M.No. 0994[illegible]

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

For HYM Drive Systems Private Limited

Abhishek Munjal
Director
DIN-05355274

Amit Gupta
Director
DIN-02990732

Neeraj Saxena
CFO
PAN - ADNPS7722J

Prema Joshi
Company Secretary
A52550

Place: Ludhiana
Date: 27/05/24

1. Corporate Information

HYM Drive Systems Private Limited ("the Company") is a company duly established and validly existing under the laws of India having Corporate Identification Number U35999PB2022PTC055274 as subsidiary of Hero Motors Limited. The Company was incorporated on February 18, 2022. The Registered Office of the Company is situated at Hero Nagar G. T. Road Ludhiana, Punjab-141003. The nature of business of the Company is to manufacture Hub Motors;
The standalone Ind AS financial statements were approved for issue in accordance with a resolution of the directors on **27th April 2024**

2. Material Accounting Policies:

2.1 Basis of Preparation and presentation

The standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone Ind AS financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

The standalone Ind AS financial statements provide comparative information in respect of the previous year.

Basis of measurement

The standalone Ind AS financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required under relevant Ind AS.

- Certain financial assets and liabilities are measured at fair value (Refer accounting policy regarding financial instruments in Note 2.2 n.)
- Defined benefit plans- plan assets are measured at fair value

2.2 Summary of Material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held for primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

- It is expected to be settled in normal operating cycle
- It is held for primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of liability for at least twelve after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment ('PPE')

Recognition and measurement

Property, plant and equipment is stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if the recognition criteria is met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if,

a) It is probable that future economic benefits associated with the item will flow to the entity, and
b) The cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with related amendments. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act, 2013 with the following exception:

- Leasehold land & Leasehold Improvement has been amortised over the lease term.
- Freehold Land is not depreciated.

Useful life considered for calculation for various assets class are as follows:

Asset Class	Useful Life
Building	30-60 years
Plant & Machinery	08 to 30 years
Furniture & Fixture	3 to 10 years
Office Equipment's	3 to 5 years
Computer	3 to 6 years

* The Company, based on technical assessment made by technical expert and management estimate, depreciates tools included in plant and equipment over estimated useful lives of 8 and 30 years 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 depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derecognition of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

c. Intangible assets

Acquired Intangible

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

Amortisation

Intangible assets with finite lives are amortised over the useful life and these are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

Specialized software are amortized over a period of 3 years or license period whichever is later.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.

d. Inventories

Inventories are valued at the lower of cost and net realisable value.

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows;-

Raw Material	The cost of raw materials &components, stores & spares, and other traded items includes duties, taxes net of recoverable taxes, wherever applicable, and other expenses incurred to bring the inventories to their present location and condition . The cost is arrived on the basis of weighted moving average method.
Work In Progress	The cost of work in progress comprises of material cost plus appropriate share of allocable overheads.
Finished Goods	The cost of finished goods Includes material cost plus appropriate share of overheads. Finished Goods are Valued at Cost or NRV whichever is lower.
Traded Goods	The cost of land traded items is valued at cost on the basis of specific identification method
Scrap	Net realisable value.

B.D. BANSAL & CO. ★ CHARTERED ACCOUNTANTS ★

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

e. Retirement and other employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-employment benefits

a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c) Short term and other long term employee benefits :

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees are recognised during the period when the employee renders the services. These benefits include salaries, wages, performance incentives and compensated absences.

The liability in respect of accumulated compensated absences is provided for on the basis of actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss of the year in which they occur.

d) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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).

Constructive obligation is an obligation that derives from an entity's actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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.

f. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognised when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

g. Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

h. Revenue from contract with customer

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers. Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Also, in determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

As per Ind AS 115, the Company determines whether there is a significant financing component in its contracts. However, the Company has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the company does not account for a financing component. No long-term advances from customers are generally received by the Company.

Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37.

The Company disaggregates revenue from contracts with customers by geography.

Sale of services

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

The Company recognises revenue from these contracts on satisfaction of performance obligation towards rendering of such services over time, as and when the services are rendered in accordance with the specific terms of contracts with customers. The Company's performance obligation is limited to providing resources required for these services

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Disaggregated revenue information

The Company presents disaggregation of revenue from contracts with customers for the year ended 31 March, 2024 by type of goods and services and timing of revenue recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors .

Contract balances

Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of Financial Instruments – Initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

i. Recognition of interest income or expense

Interest income or expense is accrued on a time basis and recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

Dividend income is recognized when the right to receive payment is established.

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

j. Borrowing costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current income tax assets and liabilities are measured at the amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. 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, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

Sales/value added taxes/GST paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the amount of sales/ value added taxes/GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

I. Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116:

Company as a lessee

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

"

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. "

Lease arrangements may include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities may include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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 amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to the company. 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.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flow activities.

m. 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.

Financial assets
Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. 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 other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Company makes such adoption 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 FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.
Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

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.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

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

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss (FVPL)
- Financial liabilities at amortised cost (loans and borrowings)

A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

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 derecognition 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.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

n. Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest Company of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

The recoverable amount of as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

o. Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

p. Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q. Cash flow statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

a) changes during the period in operating receivables and payables transactions of a non-cash nature;
b) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
c) all other items for which the cash effects are investing or financing cash flows

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

r. Earnings per share

Basic earnings per share ('EPS') is computed by dividing the net profit or loss (excluding OCI) for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented."

s. Foreign Currency Transaction and translations

The functional currency and presentation currency of the company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Initial recognition

Transactions denominated in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the rates prevailing at the date when the fair value was determined.

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at historical cost.

Treatment of exchange differences

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

t. Fair value measurement

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

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

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

- Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

u. Research & development costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

v. Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2024 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2024. The Company applied for the first-time these amendments.

i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's stand alone financial statements.

ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Company sell goods, transportation and warranty services bundled together with sales of goods. The Company allocated the portion of the transaction price to goods basis on its relative standalone prices.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Determining lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has some property lease arrangements with its holding company that include option to terminate the contract by either party at any time by giving advance notice. The Company applied judgment in evaluating whether it is reasonably certain for both the parties to terminate the property lease contract before the lease term. It considered all the factors that create economic incentive for the parties to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful life of assets of (Property, plant and equipment)

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

Impairment of property, plant and equipment (PPE)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. It do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment recognised by the Company.

Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

Estimation of Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(All amounts in ₹ Lakh's unless stated otherwise)

Note 3 - Property, Plant and Equipment (PPE)

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	As at April 1,2023	Additions / Adjustments	Sales / Adjustments	As at March 31,2024	As at April 1,2023	During the year	On Sales / Adjustments	As at March 31,2024	As at March 31,2024	As at March 31,2023
Building	571.79	14.53		586.32	3.87	18.48		22.35	563.97	567.92
Plant & Machinery*	871.52	440.20		1,311.72	10.67	45.66		56.32	1,255.39	860.85
Furniture & Fixtures	137.41	-		137.41	2.79	13.05		15.84	121.57	134.62
Office Equipments	9.58	5.24		14.82	0.31	2.53		2.84	11.98	9.27
Computers	11.22	63.36		74.58	0.35	7.94		8.28	66.30	10.88
Total	**1,601.52**	**523.34**	-	**2,124.85**	**17.98**	**87.66**		**108.64**	**2,019.21**	**1,583.54**

*During the year ended 31 March 2024, the management performed an operational review of the useful life of certain Plant and machinery. As a result there is an increase in usefull life of certain Plant & Machinery from range of 15 years to 25 years. Management has also obtained a certificate from certified chartered engineer in respect to the same. This has resulted in decrease in depreciation by INR 19.89 Lakh.

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	As at April 1,2022	Additions / Adjustments	Sales / Adjustments	As at March 31,2023	As at April 1,2022	During the year	On Sales / Adjustments	As at March 31,2023	As at March 31,2023	As at March 31,2022
Building		571.79		571.79		3.87		3.87	567.92	
Plant & Machinery		871.52		871.52		10.67		10.67	860.85	
Furniture & Fixtures		137.41		137.41		2.79		2.79	134.62	
Office Equipments		9.58		9.58		0.31		0.31	9.27	
Computers		11.22		11.22		0.35		0.35	10.88	
Total	-	**1,601.52**	-	**1,601.52**	-	**17.98**	-	**17.98**	**1,583.54**	-

Note 4 - Capital Work in Progress

	As at April 1,2023	Additions	Capitalised /Sales	As at March 31,2024
CWIP	-	745.13	488.65	256.48
Total	-	**745.13**	**488.65**	**256.48**

*** Whole of the CWIP is below under 1 year**

Note 4 a- Intangible assets under Development

	As at April 1,2023	Additions	Capitalised /Sales	As at March 31,2024
CWIP	-	69.82	-	69.82
Total	-	**69.82**	-	**69.82**

*** Whole of the Intangible assets under development is below under 1 year**

Note: There are no capital-work-in progress as at March 31, 2024 whose completion is overdue or has exceeded its cost as compared to its original plan.

Note 5 - Right of Use Asset

Particulars	Gross Carrying Value				Amortization				Net Carrying Value	
	As at April 1,2023	Additions / Adjustments	Sales / Adjustments	As at March 31,2024	As at April 1,2023	During the year	On Sales / Adjustments	As at March 31,2024	As at March 31,2024	As at March 31,2023
ROU Assets	479.06			479.06	11.53	14.52		26.05	453.01	467.52
Total	**479.06**	-	-	**479.06**	**11.53**	**14.52**	-	**26.05**	**453.01**	**467.52**

Particulars	Gross Carrying Value				Amortization				Net Carrying Value	
	As at April 1,2022	Additions / Adjustments	Sales / Adjustments	As at March 31,2023	As at April 1,2022	During the year	On Sales / Adjustments	As at March 31,2023	As at March 31,2023	As at March 31,2022
ROU Assets	-	479.06		479.06	-	11.53		11.53	467.52	-
Total	-	**479.06**	-	**479.06**	-	**11.53**	-	**11.53**	**467.52**	-

Note 6 - Intangible Assets

Particulars	Gross Carrying Value				Amortization				Net Carrying Value	
	As at April 1,2023	Additions / Adjustments	Sales / Adjustments	As at March 31,2024	As at April 1,2023	During the year	On Sales / Adjustments	As at March 31,2024	As at March 31,2024	As at March 31,2023
Development Cost (Motor Design)	105.20	110.37		215.57	2.14	18.61		20.74	194.82	103.06
Software		28.00		28.00		0.78		0.78	27.22	
Trademark/ Labels	-	2.24		2.24		0.34		0.34	1.89	
Website		5.50		5.50		0.11		0.11	5.39	
Total	**105.20**	**146.10**	-	**251.30**	**2.14**	**19.85**	-	**21.98**	**229.32**	**103.06**

Particulars	Gross Carrying Value				Amortization				Net Carrying Value	
	As at April 1,2022	Additions / Adjustments	Sales / Adjustments	As at March 31,2023	As at April 1,2022	During the year	On Sales / Adjustments	As at March 31,2023	As at March 31,2023	As at March 31,2022
Development Cost (Motor Design)	-	105.20	-	105.20	-	2.14		2.14	103.06	-
Software										
Trademark/ Labels										
Website										
Total	-	**105.20**	-	**105.20**	-	**2.14**	-	**2.14**	**103.06**	-

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

HYM DRIVE SYSTEMS PRIVATE LIMITED

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

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 7 Deferred Tax Assets

Particulars		As at March 31,2024	As at March 31,2023
Deferred Tax Assets			
(A) Deferred Tax Assets		41.20	32.53
Total		**41.20**	**32.53**

Note - 8 Other Non-Current Assets

Particulars		As at March 31,2024	As at March 31,2023
Unsecured, Considered Good			
(A) Capital Advances		20.81	339.98
(B) Prepaid Expenses		0.64	1.28
Total		**21.44**	**341.26**

Note - 9 Inventories
(Valued at lower of Cost or Net Realizable Value)

Particulars		As at March 31,2024	As at March 31,2023
(A) Finished Goods			
-Multi Speed Motor		0.95	0.63
-Traded Cycle		0.50	0.25
-Total		**1.44**	**0.89**
(B) Work-in-Progress		2.19	1.12
(C) Raw Materials		118.56	56.43
(D) Stores & Spares		2.63	0.00
Total		**124.83**	**58.44**

Note - 10 Current Financial Assets : Trade Receivables

Particulars		As at March 31,2024	As at March 31,2023
(I) Unsecured, Considered Good			
- Related Parties		27.91	0.92
- Others		-	-
Total		**27.91**	**0.92**

Note - 11 Current Financial Assets : Cash and Cash Equivalents

Particulars		As at March 31,2024	As at March 31,2023
(A) Balance with Banks			
- In Current Accounts		34.58	107.33
(B) Cash in hand		-	-
Total		**34.58**	**107.33**

Note - 12 Current Financial Assets : Other Bank Balances

Particulars		As at March 31,2024	As at March 31,2023
Balance with Banks			
- In Fixed Deposit Accounts*		-	502.18
Total		-	**502.18**

Note - 13 Other Current Assets

Particulars		As at March 31,2024	As at March 31,2023
(A) Advance to Vendors		11.32	4.70
(B) Prepaid Expenses		2.05	1.84
(C) Indirect Tax Recoverable			
- GST Recoverable		317.68	170.00
Total		**331.05**	**176.55**

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

HYM DRIVE SYSTEMS PRIVATE LIMITED

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

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 14 Equity Share Capital

Particulars		As at March 31,2024	As at March 31,2023
Authorized Share Capital 32,000,000 Equity Shares ₹ 10/- each (Previous Year 32,000,000 Equity Shares of ₹10/- each)		3,200.00	3,200.00
Total		**3,200.00**	**3,200.00**
Issued, subscribed and paid-up Equity Share Capital 32,000,000 Equity Shares of ₹10/- each (Previous Year 32,000,000 Equity Shares of ₹ 10/- each)		3,200.00	3,182.19
Total		**3,200.00**	**3,182.19**

Additional Information

(A) **Reconciliation of Equity Share Capital (In Numbers)**

Particulars		As at March 31,2024	As at March 31,2023
Shares outstanding at the beginning of the year		**3,20,00,000**	**3,20,00,000**
Add : Shares Issued during the year		-	-
Shares outstanding at the end of the year		**3,20,00,000**	**3,20,00,000**

(B) **List of Shareholders holding more than 5% of the Equity Share Capital of the company (In numbers)**

Particulars			As at March 31,2024		As at March 31,2023	
S.No.	**Name of Shareholders**		**No of Shares**	**%**	**No of Shares**	**%**
(i)	Hero Motors Limited		28799995	90%	28799995	90%
(ii)	Yamaha Motor Co. Ltd.		3200000	10%	3200000	10%

* Remaining 5 shares are held by 5 individuals as nominees of Hero Motors Limited

(C) Shares held by promoters at the end of the year:

Particulars		As at March 31,2024		As at March 31,2023		% Change during the Year
S.No.	**Name of Promoter**	**No of Shares**	**%**	**No of Shares**	**%**	
(i)	Hero Motors Limited	28799995	90%	28799995	90%	-

Note - 15 Other Equity

Particulars			As at March 31,2024	As at March 31,2023
(I)	**General Reserve**			
	Balance as at the beginning of the year		-	-
	Additions/(Utilized) during the year		-	-
	Balance as at the end of the year		**-**	**-**
(II)	**Retained Earnings**			
	Balance as at the beginning of the year		(106.64)	-
	Additions/(Losses) during the year		(314.07)	(106.64)
	Balance as at the end of the year		**(420.71)**	**(106.64)**
(III)	**Retained Earnings -II**			
	Balance as at the beginning of the year		-	-
	Additions/(Losses) during the year		(17.81)	-
	Balance as at the end of the year		**(17.81)**	**-**
(IV)	**Other Comprehensive Income**			
	Balance as at the beginning of the year		-	-
	Additions/(Losses) during the year		(0.13)	-
	Balance as at the end of the year		**(0.13)**	**-**
	Total (I+II+III+IV)		**(438.65)**	**(106.64)**

Description of nature and purpose of each reserve

a) **General Reserve** :- The Company has transferred a portion of the net profit of the company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act,1956. Mandatory transfer to general reserve is not required under the Companies Act,2013.

b) **Retained Earnings** :- Retained earnings are the profits that company has earned till date,less any transfer to general reserve,dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the company

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(All amounts in ₹ Lakh's unless stated otherwise)

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

HYM DRIVE SYSTEMS PRIVATE LIMITED

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

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 16 Long Term Provisions

Particulars		As at March 31,2024	As at March 31,2023
Provision for Employee Benefits			
- Gratuity		18.94	12.27
- Leave Encashment		8.55	6.44
Total		**27.49**	**18.71**

Note - 17 Current Financial Liabilities - Borrowings

Particulars		As at March 31,2024	As at March 31,2023
(I) **Unsecured - Classified At Amortised Cost**			
(A) Loan from Related Parties		646.00	-
Total		**646.00**	**-**

Note - 18 Current Financial Liabilities - Trade Payable

Particulars		As at March 31,2024	As at March 31,2023
Trade Payables - Classified at amortised cost			
(A) Due to parties covered under Micro & Small Enterprises		0.53	0.90
(B) Due to Parties other than MSME		25.61	27.36
(C) Payable to Related Parties		12.43	2.89
Total		**38.57**	**31.14**

Note - 19 Current Financial Liabilities - Others

Particulars		As at March 31,2024	As at March 31,2023
Other Current Financial Liability - Classified at amortised cost			
(A) Interest accrued but not due		12.93	-
(B) Employee's Related Payable		35.81	27.60
(C) Payable to Related Parties		29.77	17.20
(D) Creditors for capital goods		50.87	169.62
Total		**129.38**	**214.41**

Note - 20 Other Current Liabilities

Particulars		As at March 31,2024	As at March 31,2023
(A) **Statutory Dues -**			
- GST		0.22	0.04
- Income Tax (TDS)		2.28	4.69
- ESI, PF & Others		1.96	1.32
- Labour Welfare Fund Payable		0.02	-
- Professional Tax Payable		0.36	-
Total		**4.83**	**6.05**

Note - 21 Short Term Provisions

Particulars		As at March 31,2024	As at March 31,2023
(A) **Provision for employee benefits**			
- Gratuity		0.25	23.51
- Leave Encashment		0.41	0.43
Total		**0.67**	**23.94**

Note - 22 Current Tax Liabilities

Particulars		As at March 31,2024	As at March 31,2023
Provision for Income Tax(Net)		0.56	3.53
Total		**0.56**	**3.53**

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(All amounts in ₹ Lakh's unless stated otherwise)

a) Trade receivables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	27.91					27.91
Disputed Trade Receivables – considered good						
	27.91	-	-	-	-	**27.91**
Undisputed Trade Receivables – credit impaired						
Less: Provision for doubtful trade receivables						
(v) Disputed Trade Receivables which have significant increase in credit risk						
Disputed Trade Receivables – credit impaired						
Net Trade receivables	**27.91**	-	-	-	-	**27.91**

b) Trade receivables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	0.92					0.92
Disputed Trade Receivables – considered good						
	0.92	-	-	-	-	**0.92**
Undisputed Trade Receivables – credit impaired						
Less: Provision for doubtful trade receivables						
(v) Disputed Trade Receivables which have significant increase in credit risk						
Disputed Trade Receivables – credit impaired						
Net Trade receivables	**0.92**	-	-	-	-	**0.92**

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

a) Trade Payables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME (Refer Note 44)	0.53					0.53
(ii) Others	25.61					25.61
(iii) Disputed dues — MSME						-
(iv) Disputed dues — Others						-
(v) Payable to Related Parties	8.53	3.90				12.43

b) Trade Payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled dues	Total
(i) MSME (Refer Note 44)	0.90					0.90
(ii) Others	27.36					27.36
(iii) Disputed dues — MSME						
(iv) Disputed dues — Others						
(v) Payable to Related Parties	2.89					2.89

B. O. BANSAL & CO. • CHARTERED ACCOUNTANTS •

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 23 Revenue from Operations

Particulars	2023-24	2022-23
(A) Sales of Product		
Domestic	88.56	0.78
Export	0.84	-
(B) Sales of Traded Goods		
Domestic	-	-
Export	0.83	4.76
(C) Sales of Service	0.02	-
Sub-Total (I)	**90.25**	**5.55**
Other Operating Revenue		
(A) Income from Export Incentives	-	0.08
Sub-Total (II)	**-**	**0.08**
Total (Revenue from Operations) (I+II)	**90.25**	**5.63**

Note - 24 Other Income

Particulars	2023-24	2022-23
(A) Interest Income on Bank Deposits	3.61	19.07
(B) Others Interest (Inter Corporate Loan & Security)	0.10	4.44
Total	**3.71**	**23.51**

Note - 25 Cost of Material Consumed

Particulars	2023-24	2022-23
(A) Inventory at the beginning of the year	56.43	-
(B) **Add:** Purchases	145.14	58.23
	201.57	**58.23**
(C) **Less:** Inventory at the end of the year	118.56	56.43
Total (A+B-C)	**83.02**	**1.79**

Note - 26 Purchase of Stock in Trade

Particulars	2023-24	2022-23
(A) Inventory at the beginning of the year	0.25	-
(B) **Add:** Purchases	0.81	3.95
	1.06	**3.95**
(C) **Less:** Inventory at the end of the year	0.50	0.25
Total (A+B-C)	**0.57**	**3.69**

Note - 27 Changes in Inventories of Finished Goods and Work-in-Progress

Particulars	2023-24	2022-23
(A) **Opening Stock**		
- Finished Goods	0.63	-
- Traded Goods	0.25	-
- Work-in-Progress	1.12	-
Sub-Total (A)	**2.01**	**-**
(B) **Closing Stock**		
- Finished Goods	0.95	0.63
- Traded Goods	0.50	0.25
- Work-in-Progress	2.19	1.12
Sub-Total (B)	**3.64**	**2.01**
Total (A-B)	**(1.63)**	**(2.01)**

Note - 28 Employee Benefit Expenses

Particulars	2023-24	2022-23
(A) Salaries, Wages and Allowances	91.72	72.17
(B) Contribution to PF, ESI and other Funds	7.72	3.98
(C) Gratuity expense (Refer note 33)	7.13	0.65
(D) Compensated absences	5.15	0.55
(E) Staff Welfare Expenses	9.07	2.92
Total	**120.78**	**80.27**

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

HYM DRIVE SYSTEMS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 29 Finance Cost

Particulars	2023-24	2022-23
(A) Interest Expenses on		
-term loans & working capital facilities	8.36	-
(B) Finance Charges/Commission	0.03	0.56
Total	**8.39**	**0.56**

Note - 30 Other Expenses

Particulars	2023-24	2022-23
(A) Power & Fuel	16.57	1.23
(B) Packing materials	0.86	-
(C) Consumption Of Stores & Spares	7.46	0.65
(D) Payment to Auditors		
- Statutory Audit	1.50	1.00
- Taxation Related Matter	2.00	-
- Others Matters	0.23	-
(E) IT Expenses	2.35	0.39
(F) Insurance Expenses	1.43	0.32
(G) Professional and Legal Expenses	1.43	1.45
(H) Rates & Taxes	0.43	11.18
(I) General Admin Charges	7.39	21.90
(J) Repair & Maintenance	25.36	0.32
(K) Travelling Expenses	3.21	0.18
(L) Freight Expenses	0.82	0.48
(M) Other Miscellaneous Expenses	17.47	7.33
Total	**88.52**	**46.43**

Note - 31 Components of Other Comprehensive Income (OCI)

Particulars	2023-24	2022-23
(A) Remeasurement impact for actuarial gain or loss	0.16	-
(B) Tax on above	(0.03)	-
Total	**0.13**	-

Note - 32 Earnings Per Share (EPS)

The Company's earnings per share is determined based on the net profit attributable to the shareholder's of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year.

Particulars	2023-24	2022-23
Earning attributable to Equity Shareholders of the Company	(314.20)	(106.64)
Calculation of Weighted Average Number of Equity Shares		
- Number of share at the beginning of the year	-	-
- Total equity shares outstanding at the end of the year	-	-
- Weighted average number of equity shares outstanding during the year	320.00	320.00
Basic Earnings Per Share (In ₹)	(0.98)	(0.33)
Diluted Earnings Per Share (In ₹)	(0.98)	(0.33)
Nominal Value of Equity Shares (In ₹)	10.00	10.00

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

HYM DRIVE SYSTEMS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 33 Employee Benefits Disclosures

(I) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed years of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and amount recognized in the Other Comprehensive Income in relation to re-measurement gain or loss.

Statement of Profit and Loss

Net employee benefit expenses recognized in the employee cost

Particulars	31-Mar-24	31-Mar-23
Current Service Cost	5.20	3.13
Net Interest Expense	1.93	-
Past Service Cost	-	-
Amount recognised in Statement of Profit and Loss	**7.13**	**3.13**

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2023

Particulars	31-Mar-24	31-Mar-23
Net actuarial (gain)/loss recognized in the year	0.16	-
Amount recognised in Other Comprehensive Income	**0.16**	**-**

Balance Sheet

Benefit Asset/Liability

Particulars	31-Mar-24	31-Mar-23
Present Value of Defined Benefit Obligation	19.19	35.77
Plan Liability	**19.19**	**35.77**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31-Mar-24	31-Mar-23
Opening Defined Benefit Obligation	35.77	-
Current Service Cost	5.20	3.13
Interest Cost	1.93	-
Past Service Cost	-	-
Benefits Paid	- 23.86	-
Actuarial (gains)/losses on obligation	0.16	-
Acquistions/ Business Combination/ Divesztitures		32.64
Closing Defined Benefit Obligation	**19.19**	**35.77**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	31-Mar-24	31-Mar-23
Discount Rate	7.09%	7.26%
Increase in Compensation Cost	5.00%	5.00%

Gratuity Plan

Particulars	31-Mar-24		31-Mar-23	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	-	-	-	-

Gratuity Plan

Particulars	31-Mar-24		31-Mar-23	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	-	-	-	-

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(All amounts in ₹ Lakh's unless stated otherwise)

Demographic Assumption

Particulars	31-Mar-24	31-Mar-23
i) Retirement Age (Years)	58	58
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

The following payments are expected contributions to the defined benefit plan in future years:

Gratuity

Particulars	31-Mar-24	31-Mar-23
Within the next 12 months (next annual reporting period)	0.26	24.34
Between 2 and 5 years	10.89	34.11
Between 5 and 6 years	0.19	0.09
Beyond 6 years	3.26	2.30
Total	**14.61**	**60.84**

(ii) Leave Encashment

Net employee benefit expenses recognized in the employee cost

Particulars	31-Mar-24	31-Mar-23
Current Service Cost	3.96	2.38
Net Interest Expense	0.63	-
Remeasurements	0.55	-
Amount recognised in Statement of Profit and Loss	**5.15**	**2.38**

Balance Sheet

Benefit Asset/Liability

Particulars	31-Mar-24	31-Mar-23
Present Value of Defined Benefit Obligation	-	-
Plan Liability	-	-

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31-Mar-24	31-Mar-23
Opening Defined Benefit Obligation	6.87	-
Current Service Cost	3.96	2.38
Interest Cost	0.63	-
Acquisition/Business Combination/Divestiture		5.03
Benefits Paid	(3.06)	(0.54)
Actuarial (gains)/losses on obligation	0.55	-
Closing Defined Benefit Obligation	**8.96**	**6.87**

The principal assumptions used in determining leave encashment for the Company's plans are shown below:

Particulars	31-Mar-24	31-Mar-23
Discount Rate	7.09%	7.26%
Increase in Compensation Cost	5.00%	5.00%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(All amounts in ₹ Lakh's unless stated otherwise)

Demographic Assumption

Particulars	31-Mar-24	31-Mar-23
i) Retirement Age (Years)	58	58
ii) Mortality rates inclusive of provision for disability **	100 % of IALM (2012 - 14)	100 % of IALM (2012- 14)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1
iv) Leave		
Leave Availment Rate	5	5
Leave Lapse rate while in service	Nil	Nil
Leave Lapse rate on exit	Nil	Nil
Leave encashment Rate while in service	5	5

Note - 34 Leases

Operating Lease: Company as lessee

The Company has obtained 2 acres of land from Hero E-Cycles Private Limited for 33 years for it's Opertation by making one time payment. Such land has been recognized as ROU in financial Statements so as to amortize such land over the lease period as provided in IND AS 116 Leases. Yearly Amortization is recorded for Rs. 14.52 Lakhs

Note - 35 Commitment and Contingencies

(i) Commitments

(a)

Particulars	31-Mar-24	31-Mar-23
Capital Commitments	32.36	186.01

b) There is no contingenet liability standing as on 31.03.2024

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

HYM DRIVE SYSTEMS PRIVATE LIMITED
CIN: U35999PB2022PTC055274

Significant Accounting Policies and explanatory notes to Standalone Financial Statements

Note - 36 Earning in Foreign Currency (Accrual Basis)

Particulars	31-Mar-24	31-Mar-23
FOB Value of Exports	1.67	4.76

Note - 37 CIF Value of Import

Particulars	31-Mar-24	31-Mar-23
Raw Material	45.01	2.88
Capital Goods	48.97	-

Note - 38 Expenditure in Foreign Currency

	31-Mar-24	31-Mar-23
Foreign Travelling	4.60	0.28

Note - 39 Consumption of imported and indigenous materials consumed

Particulars	31-Mar-24		31-Mar-23	
	Amt	%age	Amt	%age
Imported	26.67	33%	0.07	2%
Indigenous	55.28	67%	3.41	98%
Total	81.95	100%	3.48	100%

40 Borrowing cost of Rs. 4.57 lakhs (Previous Year 2022-23 is nil) is capitalised during the years.

41 In the opinion of the Board, all assets other than Property, Plant and Equipment and non current investments have a value on realisation in the ordinary course of business at least equal to the value at which they are stated in the foregoining Balance Sheet.

42 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 43 Segment Information

In accordance with the requirements of Ind AS 108, Segment Reporting, the Company is primarily engaged in a business of high-quality Hub motors for E-bike and has no other primary reportable segments. The KMP of the Company allocate the resources and assess the performance of the Company, thus he is the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

Information about geographical areas

As the Company is engaged in export sales also hence separate geographical segment is disclosed.

Particulars	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Within India	88.56	0.78
Outside India	1.67	4.76
Total	**90.23**	5.55

Revenue is derived from one major customer which amounts to 10% or more of the Company's revenue as below:-

Customer	31-Mar-24	31-Mar-23
A	88.56	4.76
B	1.67	0.78

Note - 44 Related Party Disclosures

(A) Holding Company

Hero Motors Limited

(B) Key Management Personnel (KMP)

Mr. Amit Gupta-Director
Mr. Abhishek Munjal-Director
Mr. Anil Rathi-Director
Mr. Neeraj Saxena-CFO
Ms. Prerna Joshi-CS
Mr. Amardip Kumar- Manager

(C) Fellow Subsidiary Co's

Hero EDU Systems Private Limited (Wholly-owned Subsidiary of Holding Company)
Hero Motors Thai Limited (Subsidiary of Holding Company)
Hewland Engineering Limited (Subsidiary of Holding Company)
Spur Technologies Private Limited (Wholly-owned Subsidiary of Holding Company)

(D) Enterprise over which Key Managerial Personnel exercise Significant Influence

Hero Cycles Limited
Bhagyoday Investments Private Limited
Firefox Bikes Private Limited
Hero PBG Cycles Private Limited
Munjal Sales Corporation
Hero Cycles Group Private Limited
OMA Living Private Limited
ZF Hero Chassis Systems Private Limited
Spur Technologies Private Limited
HMC E-Valley Private Limited
Lectro E-Mobility Private Limited
Munjal Kiriu Industries Private Limited
Hero Transmission Private Limited

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

(All amounts in ₹ Lakh's unless stated otherwise)

(E) Transactions with related parties during the year

Details of transactions	Holding	Key Management Personnel	Fellow Subsidiary Co's	Enterprise over which Key Managerial Personnel exercise Significant influence	Total
a. Purchase of Goods & Rendering of Services					
Hero Motors Limited	19.60				19.60
Hero Lectro (A Div. of Hero Cycles Ltd.)				1.01	1.01
Hero E-Cycles Private Limited				32.00	32.00
b. Sale of Goods & Rendering of Services					
Hero Motors Limited	8.48				8.48
Hero EDU Systems Pvt. Ltd.			96.04		96.04
Spur Technologies Private Limited					-
c. Charges Paid					
Hero Motors Limited	129.79				129.79
Hero EDU Systems Pvt. Ltd.					-
Spur Technologies Private Limited			3.36		3.36
Hero E-Cycles Private Limited				16.57	16.57
d. Charges Recovered					
Hero Motors Limited	16.29				16.29
Hero EDU Systems Pvt. Ltd			0.39		0.39
e. Loan Received					
Hero Motors Limited	646.00				646.00
f. Interest Paid					
Hero Motors Limited	12.93				12.93
g. Salary/Remuneration Paid					
Mr. Neeraj Saxena-CFO		17.24			17.24
Ms. Prerna Joshi-CS		2.38			2.38
Mr. Amardip Kumar-Manager		67.46			67.46

*Transactions are inclusive of GST

Transactions with related parties during the Previous year

Details of transactions	Holding	Key Management Personnel	Fellow Subsidiary Co's	Enterprise over which Key Managerial Personnel exercise Significant influence	Total
a. Purchase of Goods & Rendering of Services					
Hero Motors Limited	36.84				36.84
Hero Lectro (A Div. of Hero Cycles Ltd.)				4.96	4.96
Hero E-Cycles Private Limited				3.88	3.88
b. Charges Paid					
Hero Motors Limited	178.71				178.71
Hero E-Cycles Private Limited				1.23	1.23
c. Charges Recovered					
Hero Motors Limited	35.61				35.61
Hero Lectro (A Div. of Hero Cycles Ltd.)				2.07	2.07
Spur Technologies Private Limited				0.06	0.06
d. Loan Given					
Hero Motors Limited	500.00				500.00
e. Interest Received					
Hero Motors Limited	4.43				4.43
f. Salary/Remuneration Paid					
Mr. Neeraj Saxena-CFO		9.97			
Ms. Prerna Joshi-CS		1.79			
Mr. John Claribel-Manager		30.09			

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

(All amounts in ₹ Lakh's unless stated otherwise)

(F) Balances of related parties as the year end 31.03.2024

Details of transactions	Holding	Key Management	Fellow Subsidiary	Enterprise over	Total
a. Trade payable (Current/Non Current)					
As at 31.03.2024					
Hero Motors Limited	34.29				34.29
Hero Lectro (A Div. of Hero Cycles Ltd.)				3.90	3.90
Hero E-Cycles Private Limited				4.12	4.12
b. Trade Receivables					
As at 31.03.2024					
Hero EDU Systems Pvt. Ltd.		-	28.00	-	28.00

Balances of related parties as the year end 31.03.2023

Details of transactions	Holding	Key Management Personnel	Fellow Subsidiary Co's	Enterprise over which Key Managerial Personnel exercise Significant influence	Total
a. Trade payable (Current/Non Current)					
As at 31.03.2023					
Hero Motors Limited	12.02				12.02
Hero Lectro (A Div. of Hero Cycles Ltd.)				2.89	2.89
Hero E-Cycles Private Limited				5.11	5.11
Spur Technologies Private Limited				0.06	0.06
As at 31.03.2023					
Hero Motors Limited	0.92	-	-	-	0.92

45 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	31-Mar-24	31-Mar-23
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	0.53	0.90
The amount of interest paid by the buyer in terms of section 16 of Micro Small and Medium Enterprises Development 2006,along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (Which have been but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development 2006.		-
The amount of interest accrued and remaining unpaid at the end of each accounting year.		
The amount of further interest remaining due and payable even in the succeeding years,untill such date, when the interest dues as above re actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development 2006.		

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 46 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

Market Risk

Market risk is the risk that the fair value of 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. Financial instruments affected by market risk include loans and borrowings.

Interest Rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To mitigate interest rate risk, the Company's regularly monitor's market movement and its impact on the Company's taken borrowings and accordingly, Company's take action.

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

Particualrs	Increase/Decrease in basis points	Effect on Profit before tax
		INR Lacs
31-Mar-24	+50	0.00
	-50	0.00
31-Mar-23	+50	0.00
	-50	0.00

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

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The company uses Forward Contracts to hedge its risks associated with fluctuations in foreign currencies and interest rate relating to foreign currency liabilities, certain firm commitments and some forecasted transactions related to foreign currency trade. The use of Forward Contracts is governed by Company's overall strategy. The Company does not use forward Contracts for speculative purposes.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
		INR Lakh's	INR Lakh's
31-Mar-24	5%	0.00	0.00
	-5%	0.00	0.00
31-Mar-23	5%	0.00	0.00
	-5%	0.00	0.00

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(All amounts in ₹ Lakh's unless stated otherwise)

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

In case of trade receivables credit risk is due to delayed payments or default in payments. The Company considering business portfolio, customer credit worthiness takes the 100% deposits in advance from its trade receivables. Therefore, in case of Company credit risk from trade receivables is very minimal and to manage minimal risk, Company's management regularly reviews the credit worthiness of its dealers, distributors etc. The Company's maximum exposure due to credit risk from trade receivables is illustrated in note no. 11 for the balances outstanding at March 31, 2024 and March31, 2023.

Financial Instruments and Cash Deposits

Credit risk from balances with banks is managed by the company by Investing of surplus funds with approved counterparties, Major portion of bank deposit are kept with government owned banks leading to very lower risk and that how company is managing its credit risk for bank deposits. The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 and March31, 2023 is the carrying amounts as illustrated in Note No. 12.

Liquidity Risk

The Company manages its liquidity risk to maintain adequate net working capital by constantly managing projected cash flows. Beyond effective working capital and cash management, the Company mitigates liquidity risk by contracting with financial institutions with respect to bank overdrafts or banking facility agreements for efficient management of funds.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31-Mar-24						
Borrowings	-	-	-	646.00	-	646.00
Trade payables	-	38.57	-	-	-	38.57
Other Current financial Liabilities	-	129.38	-	-	-	129.38
	-	**167.95**	-	**646.00**	-	**813.95**
Year ended						
31-Mar-23						
Trade payables	-	31.14	-	-	-	31.14
Other Current financial Liabilities	-	214.41	-	-	-	214.41
	-	**245.56**	-	-	-	**245.56**

B.D. BANSAL & CO. ★ CHARTERED ACCOUNTANTS ★

(All amounts in ₹ Lakh's unless stated otherwise)

47 Deferred tax:

Particulars	As at 31-Mar-23	Provided during the year	As at 31-Mar-24
Deferred tax liability:			
Related to Property, Plant & Equipments	16.61	38.39	55.00
Total deferred tax liability (A)	**16.61**	**38.39**	**55.00**
Deferred tax assets:			
Provision for gratuity, Bonus & Leave Encashment	(7.68)	2.06	(5.62)
Provision for gratuity, Bonus & Leave Encashment- charged in OCI		0.03	0.03
On loss	(38.99)	(49.77)	(88.76)
On Section 35D	(2.47)	0.62	(1.85)
Total deferred tax assets (B)	**(49.14)**	**(47.06)**	**(96.20)**
Deferred Tax Asset (Net) (A + B)	**(32.53)**	**(8.67)**	**(41.20)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

(All amounts are in ₹ lakh, unless otherwise stated)

Note 48 : Fair value measurements

I Financial Instruments

a) Financial Instruments by category

All financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the standalone financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

As at March 31, 2024

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Financial assets measured at amortized cost			
Trade receivables	Level 3	27.91	0.92
Cash and cash equivalents	Level 3	34.58	107.33
Other bank balances	Level 3	-	502.18
Total Financial Assets		**62.50**	**610.43**
Financial liabilities valued at amortized cost			
Borrowings	Level 3	646.00	-
Trade payables	Level 3	38.57	31.14
Interest accrued but not due	Level 3	12.93	-
Employee Benefit Payable	Level 3	35.81	27.60
Payable to Related parties	Level 3	29.77	17.20
Creditors for capital goods	Level 3	50.87	169.62
Total Financial Liabilities		**813.95**	**245.55**

B.D. BANSAL & CO. ★ CHARTERED ACCOUNTANTS ★

HYM DRIVE SYSTEMS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(All amounts in ₹ Lakh's unless stated otherwise)

Note - 49 Capital Management

The Company's objectives when managing capital are to:
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:
- Net Debt (total borrowings net of cash and cash equivalents)
- divided by Total 'Equity' (as shown in the balance sheet)

The Company's strategy is to maintain a gearing ratio within the range of 2:1. The gearing ratios were as follows:

Particulars	At March 31, 2024	At March 31, 2023
Net Debts	646.00	0.00
Total Equity	2761.35	3075.55
Net Debt to Equity Ratio	**0.23**	**0.00**

50 The company is not required to spend any amount on CSR activities as the company is outside the preview of section 135 of the Companies Act, 2013 during the year under consideration.

51 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries .

52 Additional Disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) There are no transactions to report for Crypto Currency or Virtual Currency.

(b) There are no Proceedings initited or pending against the company for holding any benami property under the Benami (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(c) There are no charges or Satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.

(d) The company is not declared a willful defaulter by any bank or FI's or any other lender.

(e) There are no transactions with any company struck off under section 248 of the Company's Act, 2013 or Section 560 of the Companies Act, 1956.

(f) No Revaluation of property,Plant and equipment as no such revaluation has taken place during the year.

B.D. BANSAL & CO. * CHARTERED ACCOUNTANTS *

(g) Ther are no Loans or advances in the nature of loans granted to Promoters, directors, KMP's and other related partties either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

(h) The company has not taken any loans during the year from any financial institution. Hence requirements of quarterly returns or statements of current assets to be filed with the Banks or FI's are not applicable.

(i) Daily backup of records is taken & recorded in India.

(j) The Ministry of Corporate Affairs (MCA) vide its notification No. GSR 206(E) dated March 24, 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021" read with sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred as "the Act") introducing Rule 11(g). As per this rule, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the year, the Company maintained it's books of account in SAP S4 Hana accounting software where audit trail feature (edit log facility) was not enabled during the year ended March 31, 2024. The Company is evaluating implementation of audit trail feature in accounting software used for maintaining its books of account to comply with the requirements of Proviso to Rule 3(1) of the Companies (Account) Rules, 2014.

For BD Bansal & Co.
Chartered Accountants
FRN: 000621N

B.D. BANSAL & CO. CHARTERED ACCOUNTANTS

Sumit Kumar Bansal
Partner
Membership No. : 099496

Place: Ludhiana
Date: 27/05/2024
UDIN: 24099496BKCUMG1044

For and on behalf of Board of Directors of
HYM Drive Systems Private Limited

Abhishek Munjal Director DIN: 05355274	Amit Gupta Director DIN: 02990732
Neeraj Saxena CFO PAN-AONPS7722J	Prerna Joshi Company Secretary A52550