INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Electric Mobility Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Electric Mobility Limited** (the "Company"), which comprises the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the management's and Board of Directors' use of the going concern basis of accounting in preparation of financial statements 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 Section 143 (11) 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. (A) 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 purposes of our audit.

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the 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 financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 18 and 36 to the financial statements.

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

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

   d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 43(b) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43(b) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

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

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

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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 S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155
ICAI UDIN: 22065155AHVSFC4938

Place: Bengaluru

Date: 26 April 2022

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC MOBILITY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

With respect to the Annexure A referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. For fixed assets lying with third parties at the year end, the Company has obtained confirmations on a sample basis and no material discrepancies were observed between the confirmations and the books of accounts.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee, and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

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

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

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State

Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of statue	Nature of dues	Amount (INR)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Duty of Excise	5,142,000	AY 2009-2011	High Court of Karnataka
Central Excise Act, 1944	Duty of Customs	9,600,000	AY 2016-2017	CESTAT

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

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

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

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

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) and 3 (ix) (f) is not applicable.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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

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

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

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

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

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

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

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

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

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

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

(xvii) The Company has incurred cash losses of Rs. 2,628 Lakhs in the current financial year and Rs. 4,207 Lakhs in the immediately preceding financial year.

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

(xix) We draw attention to Note 2.2(c) to the financial statements which explains that the Company has incurred a loss after tax of Rs. 7,052 Lakhs during the current year, incurred losses during the previous years and has resultant accumulated losses of Rs. 97,160 Lakhs as at 31 March 2022.

On the basis of the above matter as more fully explained in Note 2.2(c) to the financial statements and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155
ICAI UDIN: 22065155AHVSFC4938

Place: Bengaluru
Date: 26 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC MOBILITY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Electric Mobility Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155
ICAI UDIN: 22065155AHVSFC4938

Place: Bengaluru
Date: 26 April 2022

BALANCE SHEET AS AT 31 MARCH, 2022

(₹ in lakhs)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	**20,124**	15,989
Capital work-in-progress	5(a)	**11,015**	13,214
Right-of-use assets	6	**3,731**	3,609
Other intangible assets	7	**11,678**	4,932
Intangible assets under development	8(a)	**15,138**	17,378
Financial assets			
Other financial assets	9	**562**	206
Non-current tax assets	10	**171**	135
Other non-current assets	11(a)	**999**	1,525
Total non-current assets		**63,418**	56,988
Current assets			
Inventories	12	**8,754**	5,049
Financial assets			
Trade receivables	13	**2,120**	1,488
Cash and cash equivalents	14	**4**	247
Other current assets	11(b)	**23,106**	13,723
Total current assets		**33,984**	20,507
Assets held for sale	15	**–**	76
		33,984	20,583
TOTAL ASSETS		**97,402**	77,571
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	**35,975**	35,842
Other equity		**(17,182)**	(10,334)
Total equity		**18,793**	25,508
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17(a)	**57,851**	27,534
Lease liabilities	31	**111**	–
Provisions	18(a)	**1,248**	776
Other non-current liabilities	21	**22**	–
Total non-current liabilities		**59,232**	28,310
Current liabilities			
Financial liabilities			
Borrowings	17(b)	**431**	8,345
Lease liabilities	31	**57**	–
Trade payables	19		
Total outstanding dues of micro and small enterprises		**21**	24
Total outstanding dues of creditors other than micro and small enterprises		**9,539**	6,505
Other financial liabilities	20	**5,204**	4,438
Provisions	18(b)	**1,074**	2,491
Other current liabilities	21	**3,051**	1,950
Total current liabilities		**19,377**	23,753
		78,609	52,063
TOTAL EQUITY AND LIABILITIES		**97,402**	77,571
Summary of significant accounting policies	2.3		

The accompanying notes form an integral part of the IND AS financial statements.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs except per share data)

Particulars	Note	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Income			
Revenue from operations	22	**44,388**	20,441
Other income	23	**336**	828
Total Income		**44,724**	21,269
Expenses			
Cost of materials consumed	24	**25,823**	9,467
Changes in inventories of finished goods	25	**(168)**	87
Employee benefits expense	26	**7,770**	6,220
Finance cost	27	**1,897**	563
Depreciation and amortisation expense	28	**4,733**	5,662
Other expenses	29	**11,721**	9,983
Total Expenses		**51,776**	31,982
Loss before tax		**(7,052)**	(10,713)
Tax expense			
Current tax		**–**	–
Deferred tax	37	**–**	–
Loss for the year (A)		**(7,052)**	(10,713)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan	33	**66**	57
Income tax effect on the above		**–**	–
Total other comprehensive income for the year (net of tax) (B)		**66**	57
Total comprehensive loss for the year attributable to the owners of the Company (A+B)		**(6,986)**	(10,656)
Earnings per equity share of face value Rs. 10 each			
Basic and Diluted Earnings per equity share	32	**(1.96)**	(3.12)
Summary of significant accounting policies	2.3		

The accompanying notes form an integral part of the IND AS financial statements.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

a. Equity Share Capital

Balance as at 1 April 2020	**32,319**
Changes in equity share capital due to prior period errors	–
Restated balance as at 1 April 2020	**32,319**
Issued during the year	3,523
Balance as at 31 March 2021	**35,842**
Balance as at 1 April 2021	**35,842**
Changes in equity share capital due to prior period errors	–
Restated balance as at 1 April 2021	**35,842**
Issued during the year	133
Balance as at 31 March 2022	**35,975**

* Refer Note 16

b. Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus			Items of Other Comprehensive Income	
	Securities premium	Share options outstanding account #	Retained earnings	Remeasurement of defined benefit liability, net of tax	Total
Balance as at 1 April 2020	73,244	777	(79,518)	–	(5,497)
Changes in accounting policy or prior period errors	–	–	–	–	–
Restated balance as at 1 April 2020	**73,244**	**777**	**(79,518)**	**–**	**(5,497)**
Loss for the year	–	–	(10,713)	–	(10,713)
Other comprehensive income net of tax	–	–	–	57	57
Transferred to retained earnings	–	–	57	(57)	–
Issue of equity shares under ESOP	60	(4)	–	–	56
Issue of equity shares (Right Issues)	5,545	–	–	–	5,545
Share based payments #	–	218	–	–	218
Balance as at 31 March 2021	**78,849**	**991**	**(90,174)**	–	**(10,334)**
Balance as at 1 April 2021	**78,849**	**991**	**(90,174)**	**–**	**(10,334)**
Changes in accounting policy or prior period errors	**–**	**–**	**–**	**–**	**–**
Restated balance as at 1 April 2021	**78,849**	**991**	**(90,174)**	**–**	**(10,334)**
Loss for the year	**–**	**–**	**(7,052)**	**–**	**(7,052)**
Other comprehensive income net of tax	**–**	**–**	**–**	**66**	**66**
Transferred to retained earnings	**–**	**–**	**66**	**(66)**	**–**
Issue of equity shares under ESOP	**377**	**(178)**	**–**	**–**	**199**
Share based payments #	**–**	**(61)**	**–**	**–**	**(61)**
Balance as at 31 March 2022	**79,226**	**752**	**(97,160)**	**–**	**(17,182)**

\# Refer Note 34

Nature and purpose of Reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve shall be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(b) Share options outstanding Account

The share options outstanding account is used to recognise the grant date fair value of options during the vesting period issued under Mahindra Electric Mobility Limited ESOP Scheme ('MEML ESOP - 2017').

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Notes	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Cash flows from Operating Activities			
Loss before tax for the year		**(7,052)**	(10,713)
Adjustments for:			
Provision no longer required written back		**(214)**	(546)
Allowances for expected credit losses on Financial Assets		**(34)**	1,035
Finance costs		**1,897**	563
Unwinding of interest on security deposit		**(6)**	–
Interest received on income tax refund		**(26)**	(73)
Gain on redemption of mutual funds		**(2)**	–
Share based payments		**(61)**	218
Loss on disposal of Property, Plant and Equipment		**360**	300
Marked to market loss on forward contract		**–**	101
Depreciation and Amortisation Expense		**4,733**	5,662
Provision for asset held for sale		**–**	56
Loss on sale of assets held for sale		**57**	15
Provision for disputes and contingencies		**–**	1,796
Net foreign exchange (gain)/loss		**6**	(20)
Operating Cash Flows before Working Capital changes		**(342)**	(1,606)
Changes in:			
Trade Receivables, other current and non-current assets		**(10,304)**	(4,517)
Inventories		**(3,706)**	(1,680)
Trade and Other Payables and Provisions		**3,404**	569
Cash used in operations		**(10,948)**	(7,234)
Income taxes refund received/(paid)		**(35)**	1,010
Net cash flows used in operating activities		**(10,983)**	(6,224)
Cash flows from Investing Activities			
Acquisition of Property, Plant and Equipment and Intangible Assets		**(10,610)**	(22,913)
Proceeds from disposal of Property, Plant and Equipment		**49**	65
Interest received on income tax refund		**26**	73
Acquisition of mutual funds		**(1,500)**	–
Proceeds from redemption of mutual funds		**1,502**	–
Net cash flows used in investing activities		**(10,533)**	(22,775)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Notes	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Cash flows from financing activities			
Proceeds from issue of equity share capital (including securities premium)		**332**	9,123
(Repayment of)/Proceeds from non-current borrowings	17.02	**(27,008)**	17,000
Repayment of working capital loan (Net)	17.02	**(914)**	(2,330)
Proceeds from Inter Corporate Deposit	17.02	**50,500**	10,000
Repayment of current borrowings	17.02	**(175)**	(175)
Repayment of Inter Corporate Deposit	17.02	**–**	(3,000)
Payment of lease liability		**(7)**	–
Interest paid		**(1,455)**	(1,402)
Net cash flows from financing activities		**21,273**	29,216
Net increase/(Decrease) in cash and cash equivalents		**(243)**	217
Cash and cash equivalents at the beginning of the year		**247**	30
Cash and cash equivalents at the end of the year		**4**	247
Components of cash and cash equivalents			
Cash and cash equivalents	14	**4**	247
		4	247
Summary of significant accounting policies	2.3		

Note:

i) The above Statement of Cash Flows has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 – Statement of Cash Flows'.

ii) The accompanying notes are an integral part of the IND AS financial statements.

iii) Figures in brackets indicate Outflows.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Reporting Entity

Mahindra Electric Mobility Limited ('the Company') is engaged in design and manufacture of electrically powered vehicles and design and development of related technology for end use vehicles. The marketing of the vehicles is done through a network of dealers in India and abroad.

The Company is an unlisted public limited company domiciled in India and is incorporated under the provisions of the Indian Companies Act. The registered office of the Company is located at Mahindra Tower, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra.

During the year ended 31 March 2022, Mahindra & Mahindra Limited acquired equity shares of Mahindra Electric Mobility Limited from Mahindra Vehicle Manufacturers Limited and consequently became the Holding Company of Mahindra Electric Mobility Limited.

2.1. Statement of compliance

These IND AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ('the Act') and other relevant provisions of the Act as amended from time to time.

In the Board of Directors meeting held on 26 April 2022, the Board has approved to issue these IND AS financial statements to shareholders of the Company.

2.2. Basis of preparation

a) Basis of measurement

The IND AS financial statements have been prepared on the historical cost convention and on an accrual basis except for the following items:

Items	Measurement basis
Certain financial assets	Fair value/Amortized cost
Liabilities for equity-settled share-based payments	Fair value
Net defined benefit liability	Present value of defined benefit obligations

b) Functional and presentation currency

These IND AS financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

c) Going concern

The Company has incurred a loss after tax of Rs. 7,052 Lakhs during the current year, incurred losses during the previous years and has resultant accumulated losses of Rs. 97,160 Lakhs as at 31 March 2022. The Board of Directors of the Company at its meeting held on 28 May 2021 had subject to requisite approvals/ consents, approved the Scheme of Merger by Absorption of the Company with the Holding company of the Company, and their respective Shareholders ("Scheme") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The company has filed the Scheme of Merger with the National Company Law Tribunal and the regulatory process for the said merger is in progress as on date.

The Company's management after considering the above indicators, has carried out an assessment of its going concern status and based on the below mentioned considerations, believe that the going concern assumption is appropriate:

i) the Company has received continued support for the past several years from the Holding Company. The Holding Company is committed to provide continuing financial support to the Company including meeting of its debt obligation, should the need arise for a period of at least 15 months from 25 January 2022; and

ii) the Company or as a consolidated Division of the Holding Company, is likely to scale up its operations in the 3-wheeler and 4-wheeler segments thereby generating additional cash flows to partially fund its requirements.

Also Refer Note 42 of Financial Statements.

d) Use of estimates and judgements

In preparing these IND AS financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions, estimation uncertainties and judgements that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are included in the following notes:

Particular	Assumptions, estimation uncertainties and judgements
Note 2.3 (c)	- Intangible assets: whether the Company recognises the expenditure incurred on technology development as an intangible asset or as an operating expense.
Note 2.3 (b) and (c)	- Useful lives of Property, plant and equipment and intangible assets.
Note 2.3 (d)	- Impairment of financial assets and non-financial assets: key assumptions over expected credit losses associated with its assets carried at amortised cost. Assumption on discount rate. Key assumptions underlying recoverable value of non-financial assets.
Note 2.3 (e)	- Measurement of transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. Determining whether the performance obligation is satisfied at a point in time or over a period of time. Judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
Note 2.3 (g)	- Measurement of defined benefit obligations: key actuarial assumptions.
Note 2.3 (k)	- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues, if any, are reported to the Company's Management.

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 or liabilities.

– 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).

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety 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 change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

– Note 2.3 (g) - Share-based payment transactions.

– Note 2.3 (p) - Financial instruments.

2.3 Significant 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 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:

- It is expected to be settled in normal operating cycle;
- It is held 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 the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria, are satisfied.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent, these relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets. Costs of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the Property, plant and equipment is de-recognized.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated range of useful lives of the assets as follows:

Class of assets	Management estimate of useful life in years	Useful life as per Schedule II
Factory Buildings	30	30
Plant & Machinery*	5 to 15	10 to 15
Tools & Fixtures*	8	NA
Office equipment*	3 to 5	5
Computer equipment	3 to 6	3 to 6
Furniture & Fixtures	10	10
Vehicles*	5	8
Batteries*	3 to 5	NA

Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

During the period of development, the asset is tested for impairment annually.

Intangible assets are amortised over the useful economic life and 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 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 Management estimates the useful lives for its intangible assets as follows:

Class of assets	Useful life estimated (in years)
Product development	5
Computer software	4

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Impairment

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses 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 a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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.

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.

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. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are 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 debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

ii. Impairment of non-financial assets

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs 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 market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. 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.

e) Revenue recognition

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in the 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

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Sale of goods

Revenue from the sale of goods is recognised upon transfer of control of promised goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company provides normal warranty provisions for general repairs on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Rendering of services

Arrangements with customers for development of technology and engineering services are on a fixed-price and fixed-time frame basis. Revenue from these contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities (referred as deferred revenues).

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

f) Foreign currency transactions

Transactions in foreign currency are translated to the functional currency at the exchange rates at the dates of the transaction or an average rate, if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using exchange rate prevalent at each Balance Sheet date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss of the period in which the transaction is settled.

g) Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined on the basis of on actuarial valuation at the year end, using the projected unit credit method.

Long-term compensated absences are provided for based on the actuarial valuation carried out at year-end using the projected unit credit method.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognised in other comprehensive income to retained earnings.

Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service is expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service conditions at the vesting date.

h) Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

As a lessor

Lease income from operating leases, where the Company is a lessor, is recognised as income on a straight-line basis over the lease term.

Short-term leases and leases of low-value assets

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

i) Income 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 to an item recognised directly in equity or in other comprehensive income.

i. Current 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. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The amount of current tax reflects the best estimate of the tax 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.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

j) Earnings/(loss) per share

The basic earnings/(loss) per share (‘EPS’) is computed by dividing the net profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e., which reduces earnings per share or increases loss per share are included.

k) Provisions and contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provisions for warranty-related costs are recognised when the product is sold, or service provided to the customer.

Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liabilities

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

l) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The method of determination of cost is as follows:

- Raw materials and components – on a weighted average basis
- Stores and spares – on a weighted average basis
- Work-in-progress – raw material costs and costs of conversion
- Finished goods – raw material costs and costs of conversion
- Goods in transit – at purchase cost

The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

m) Statement of cash flows

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

n) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Financial instruments

a. Non-derivative Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL 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 FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the 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 the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

iv. 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.

b. Derivative financial instruments:

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts to manage its borrowing exposure to foreign exchange. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are initially recognized at fair value at the date, the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in the Statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

2.4 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Property, plant and equipment

(Rs. in lakhs)

Particulars	Freehold Land	Factory Buildings	Leasehold Improvements	Plant & Machinery	Tools & Fixtures	Office Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Batteries	Total
At Cost (Gross Carrying Amount)											
As at 01 April 2020	836	4,010	12	7,278	8,826	226	883	167	336	1,441	24,015
Additions during the year	–	49	–	3,475	1,396	49	56	43	73	–	5,141
Disposals during the year	–	–	–	(497)	(716)	–	–	–	(8)	(312)	(1,533)
As at 31 March 2021	**836**	**4,059**	**12**	**10,256**	**9,506**	**275**	**939**	**210**	**401**	**1,129**	**27,623**
As at 01 April 2021	**836**	**4,059**	**12**	**10,256**	**9,506**	**275**	**939**	**210**	**401**	**1,129**	**27,623**
Additions during the year	–	**88**	**15**	**4,897**	**795**	**30**	**206**	**24**	**98**	–	**6,153**
Disposals during the year	–	–	**(12)**	**(195)**	**(7)**	**(38)**	**(58)**	**(19)**	**(114)**	**(81)**	**(524)**
As at 31 March 2022	**836**	**4,147**	**15**	**14,958**	**10,294**	**267**	**1,087**	**215**	**385**	**1,048**	**33,252**
Accumulated Depreciation											
As at 01 April 2020	–	599	8	1,628	5,690	135	627	99	183	818	9,787
Depreciation for the year	–	153	1	647	1,579	37	121	13	91	379	3,021
On disposals	–	–	–	(319)	(604)	–	–	–	(7)	(244)	(1,174)
As at 31 March 2021	–	**752**	**9**	**1,956**	**6,665**	**172**	**748**	**112**	**267**	**953**	**11,634**
As at 01 April 2021	–	**752**	**9**	**1,956**	**6,665**	**172**	**748**	**112**	**267**	**953**	**11,634**
Depreciation for the year	–	**155**	**1**	**1,021**	**461**	**40**	**115**	**20**	**100**	**3**	**1,916**
On disposals	–	–	**(10)**	**(164)**	**(3)**	**(36)**	**(58)**	**(15)**	**(70)**	**(67)**	**(422)**
As at 31 March 2022	–	**907**	–	**2,813**	**7,123**	**176**	**805**	**117**	**297**	**889**	**13,128**
Net Carrying Amount											
As at 31 March 2021	**836**	**3,307**	**3**	**8,300**	**2,841**	**103**	**191**	**98**	**134**	**176**	**15,989**
As at 31 March 2022	**836**	**3,240**	**15**	**12,145**	**3,171**	**91**	**281**	**98**	**88**	**159**	**20,124**

Notes:

a. Vehicles as on 31 March 2022 includes self generated assets at cost aggregating to Rs. 305 lakhs (31 March 2021 - Rs. 319 lakhs).

b. Gross carrying amount of tools and fixtures as on 31 March 2022 includes tools aggregating to Rs. 9,711 lakhs (31 March 2021 - Rs. 8,953 lakhs) lying with third party vendors.

c. Batteries are given to customers on Operating Lease Arrangement.

d. Refer note 41 for Management's assessment of impairment on Property, plant and equipment.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Capital work-in-progress

(a) Movement in Capital work-in-progress

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening balance	**13,214**	5,213
Additions during the year	**4,941**	13,115
Less: Capitalised during the year	**(7,140)**	(5,114)
	11,015	13,214

*The capital work in progress mainly represents cost incurred on the Company's Chakan plant amounting to Rs. 6,618 lakhs which is expected to be fully capitalised in a phased manner by March 2023.

(b) Capital work-in-progress (CWIP) ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

(Rs. in lakhs)

Particulars	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:					
As at March 31, 2022	3,404	7,025	427	159	**11,015**
As at March 31, 2021	11,289	1,766	159	–	**13,214**

(c) Completion schedule for projects whose completion is overdue or has exceeded its cost:

(Rs. in lakhs)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:					
As at March 31, 2022					
GevTech	–	1,429	–	–	**1,429**
Aggregate	1,239	–	–	–	**1,239**
As at March 31, 2021					
GevTech	–	–	–	–	**–**
Aggregate	–	–	–	–	**–**

6. Right of Use Assets

(Rs. in lakhs)

Particulars	Leasehold Land	Leasehold Vehicles	Total
Gross carrying value as at 01 April 2020	3,684	–	3,684
Additions during the year	–	–	–
Disposals during the year	–	–	–
As at 31 March 2021	**3,684**	**–**	**3,684**
As at 01 April 2021	3,684	–	3,684
Additions during the year	66	106	172
Disposals during the year	–	–	–
As at 31 March 2022	**3,750**	**106**	**3,856**
Accumulated depreciation			
As at 01 April 2020	38	–	38
Depreciation for the year	37	–	37
On disposals	–	–	–
As at 31 March 2021	**75**	**–**	**75**
As at 01 April 2021	75	–	75
Depreciation for the year	45	5	50
On disposals	–	–	–
As at 31 March 2022	**120**	**5**	**125**
Net Carrying amount			
As at 31 March 2021	**3,609**	**–**	**3,609**
As at 31 March 2022	**3,630**	**101**	**3,731**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Other Intangible Assets (Rs. in lakhs)

Particulars	Product Development	Computer Software	Total
Cost (Gross carrying amount)			
As at 01 April 2020	21,619	2,215	23,834
Additions during the year	2,520	361	2,881
Written off during the year	(10)	–	(10)
As at 31 March 2021	**24,129**	**2,576**	**26,705**
As at 01 April 2021	**24,129**	**2,576**	**26,705**
Additions during the year	9,286	227	9,513
Written off during the year	–	(204)	(204)
As at 31 March 2022	**33,415**	**2,599**	**36,014**
Accumulated amortisation			
As at 01 April 2020	18,132	1,040	19,172
Amortisation for the year	2,170	434	2,604
Written off during the year	(3)	–	(3)
As at 31 March 2021	**20,299**	**1,474**	**21,773**
As at 01 April 2021	**20,299**	**1,474**	**21,773**
Amortisation for the year	2,284	483	2,767
Written off during the year	–	(204)	(204)
As at 31 March 2022	**22,583**	**1,753**	**24,336**
Net Carrying amount			
As at 31 March 2021	3,830	1,102	4,932
As at 31 March 2022	**10,832**	**846**	**11,678**

7.01 Refer note 41 for Management's assessment of impairment on Intangible assets.

8. Intangible Assets under Development

(a) Movement in Intangible Assets under Development

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening balance	**17,378**	11,436
Development cost incurred during the year	**8,085**	8,920
Less: Capitalised during the year	**(10,325)**	(2,978)
Closing balance	**15,138**	17,378

(b) Intangible assets under development (IAUD) ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

(Rs. in lakhs)

	Amount in IAUD for the period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:					
As at March 31, 2022	6,522	4,676	3,938	2	**15,138**
As at March 31, 2021	9,052	8,324	2	–	**17,378**

(c) Completion schedule for projects whose completion is overdue or has exceeded its cost:

(Rs. in lakhs)

	To be completed in				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:					
As at March 31, 2022					
Aggregate	3,248	–	–	–	**3,248**
As at March 31, 2021					
Aggregate	–	–	–	–	–

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

9. Other Financial Assets

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Non-current		
Security Deposits		
Unsecured, considered good	**562**	206
Unsecured, considered doubtful	–	8
	562	214
Less: Allowance for expected credit losses	–	(8)
Total	**562**	206

10. Non-current tax assets

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Tax deducted at source	**171**	135
Total	**171**	135

11. Other Assets

(Rs. in lakhs)

Particulars		31 March 2022	31 March 2021
(a) Non-current			
Capital advances	**(A)**	**941**	1,525
Advances other than capital advances			
Unsecured, considered good			
– Advances recoverable in cash or kind		**58**	–
	(B)	**58**	–
Unsecured, considered doubtful			
– Advances recoverable in cash or kind		**2**	27
– Balances with government authorities		**170**	230
	(C)	**172**	257
Less: Allowance for expected credit losses	**(D)**	**(172)**	(257)
Total	**(A)+(B)+(C)-(D)**	**999**	1,525

(b) Current

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Balances with government authorities (Refer note 11.01)	**15,529**	9,914
Contract Assets (Refer note 22.04)	**4,755**	3,185
Advances recoverable in cash or kind	**2,749**	575
Prepaid expenses	**73**	49
Total	**23,106**	13,723

11.01 Includes Rs. Nil (31 March 2021: Rs. 165 lakhs) paid under protest against disputed demands pertaining to Income Tax.

12. Inventories

(at lower of cost and net realisable value)

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Raw materials (includes raw materials in transit Rs. 587 lakhs (31 March 2021: Rs. 132 lakhs) - net of provision of Rs. 19 lakhs (31 March 2021: Rs. 89 lakhs)	**7,493**	4,306
Finished goods	**423**	255
Stores and Spares - net of provision of Rs. 397 lakhs (31 March 2021: Rs. 253 lakhs)	**838**	488
	8,754	5,049

12.01 Out of the above, inventories lying with third parties as at 31 March 2022 is Rs. 127 lakhs (31 March 2021: Rs. 85 lakhs).

12.02 The Company has availed working capital facilities and other non-fund based facilities viz. letters of credit, which are secured by hypothecation of inventories. Refer note 17.01.

Mode of valuation of inventories is stated in Note 2.3(l).

13. Trade Receivables

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Current		
Unsecured, considered good	**2,120**	1,488
Unsecured, credit impaired	**1,093**	1,129
	3,213	2,617
Less: Allowance for credit impaired	**(1,093)**	(1,129)
Total	**2,120**	1,488

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(Rs. in lakhs)

	Outstanding for following periods from the date of transaction					
Particulars	**Less than 6 months**	**6 months to 1 year**	**1 year - 2 year**	**2 year - 3 year**	**More than 3 years**	**Total**
As at March 31, 2022						
Undisputed Trade Receivables - considered good	1,753	7	360	–	–	2,120
Undisputed Trade Receivables - credit impaired	3	6	881	108	95	1,093
	1,756	**13**	**1,241**	**108**	**95**	**3,213**
Allowance for credit impaired						(1,093)
Total Trade receivables						**2,120**
As at March 31, 2021						
Undisputed Trade Receivables - considered good	1,176	312	–	–	–	1,488
Undisputed Trade Receivables - credit impaired	34	921	87	33	54	1,129
	1,210	**1,233**	**87**	**33**	**54**	**2,617**
Allowance for credit impaired						(1,129)
Total Trade receivables						**1,488**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Of the above, trade receivables from:		
- Related parties (Refer Note 38)	**1,753**	787
- Others	**1,460**	1,830
Total	**3,213**	2,617

13.01 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

13.02 The Company has availed working capital facilities and other non-fund based facilities viz. letters of credit, which are secured by hypothecation of Trade receivables. Refer to note 17.01.

14. Cash and Cash Equivalents

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Cash on hand	–	–
Balances with banks:		
Current accounts	**4**	247
Total	**4**	247

15. Assets Held for Sale

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Assets held for sale	–	198
Less: Provision against Assets held for Sale	–	(122)
Total	–	76

16. Equity Share Capital

(Rs. in lakhs except per share data)

Particulars	31 March 2022	31 March 2021
Authorised		
1,00,00,00,000 (31 March 2021: 1,00,00,00,000) equity shares of Rs. 10 each	**100,000**	100,000
Issued, subscribed and fully paid-up		
35,97,50,467 (31 March 2021: 35,84,16,345) equity shares of Rs. 10 each	**35,975**	35,842

a. Reconciliation of shares outstanding at the beginning and at the end of reporting year

(Rs. in lakhs except per share data)

Particulars	31 March 2022 Number of shares	31 March 2022 Amount	31 March 2021 Number of shares	31 March 2021 Amount
At the commencement of the year	35,84,16,345	35,842	32,31,90,310	32,319
Issued during the year *#	13,34,122	133	3,52,26,035	3,523
At the end of the year	**35,97,50,467**	**35,975**	35,84,16,345	35,842

**** Rights Issue***

During the year, the Company allotted Nil (31 March 2021: 3,48,51,014) fully paid equity shares of face value of Rs.10 each for cash at a price of Nil (31 March 2021: Rs. 25.91) per fully paid equity share including a premium of Nil (31 March 2021: Rs. 15.91) per fully paid equity share aggregating to Rs. Nil (31 March 2021: Rs. 9,030 lakhs) pursuant to rights issue. Equity shares were issued pursuant to the rights issue approved by the Board of Directors at their meetings during the year ended 31 March 2021 on 28 July 2020 and 28 October 2020.

During the year, the Company has allotted 13,34,122 (31 March 2021: 3,75,021) shares pursuant to the options exercised by the eligible employees under the Mahindra Electric Mobility Limited ESOP Scheme ('MEML ESOP - 2017'). Also refer note 34.

b. Rights, preference and restrictions attached to:

Equity shares of Rs. 10 each

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Share based payments

Terms attached to stock options granted to employees are described in Note 34 on 'Employee Share Based Payment Plan'.

c. Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company's Issued, Subscribed and Paid-up share capital:

Name of the Shareholder	31 March 2022 Number	31 March 2022 Percentage	31 March 2021 Number	31 March 2021 Percentage
Mahindra & Mahindra Limited (Holding Company)	**35,60,82,447**	**98.98%**	–	–
Mahindra Vehicle Manufacturers Limited	–	–	35,60,82,447	99.35%

d. Shareholding of promoters:

As at 31, March 2022

Name of the Promoter	Number	Percentage	% of change during the year
Mahindra & Mahindra Limited (Holding Company)	35,60,82,447	98.98%	100%

As at 31, March 2021

Name of the Promoter	Number	Percentage	% of change during the year
Mahindra Vehicle Manufacturers Limited	35,60,82,447	99.35%	10.81%

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

e. Equity shares reserved for issue under options

(Rs. in lakhs except per share data)

Particulars	31 March 2022 Number	31 March 2022 Amount	31 March 2021 Number	31 March 2021 Amount
Under Employee Stock Option plan, equity shares of Rs. 10 each	**48,02,787**	**480**	90,30,753	903

f. No shares are held by the subsidiaries and associates of the Holding Company.

g. There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

17. Borrowings

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
(a) Non-current		
Secured		
Rupee Term loan from bank	–	21,000
Foreign Currency Term loan from bank	–	6,008
Unsecured		
7% Inter corporate deposit from related party	**57,500**	–
Term loan from Council of Scientific and Industrial Research	**526**	701
Less: Amount of current maturities disclosed under current borrowings (Refer note 17 (b))	**(175)**	(175)
Total	**57,851**	27,534
(b) Current		
Secured		
Working capital loan*	**256**	1,170
Unsecured		
6.25% Inter corporate deposit from related party	–	7,000
Current maturities of long-term borrowings	**175**	175
Total	**431**	8,345

* The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

17.01 Details of Borrowings:

Description of the instrument	Currency of Loan	Outstanding Amount (Rs. In Lakhs)	Interest Rate p.a.	Repayment Bullet (or) Instalment	Number of Instalments	Security	Period of repayment
Secured							
Working Capital loan	INR	256	8.35% - 9.10%	Repayment Bullet	Not Applicable	First and exclusive hypothecation charge on all existing & future receivables/current assets of the Company.	On Demand
Unsecured							
Term loans from Council of Scientific and Industrial Research	INR	526	3%	Instalment	3 equal annual instalments of Rs. 175.18 lakhs each	Not Applicable	October 2022 to October 2024
		782					

17.02 Reconciliation of movement in borrowings to cash flows from financing activities

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening Balance		
Non Current Borrowing	**27,534**	10,701
Current maturities of Long term borrowings	**175**	175
Inter corporate deposit	**7,000**	–
Working Capital Loan	**1,170**	3,500
	35,879	14,376
Cash flow movement		
Repayment of non-current borrowings	**(27,008)**	17,000
Repayment of current borrowings	**(175)**	(175)
Proceeds from Inter corporate deposit	**50,500**	10,000
Repayment of Inter corporate deposit	–	(3,000)
Repayment of Working capital loan (Net)	**(914)**	(2,330)
	22,403	21,495
Movement on account of foreign currency loss not reflected in the statement of Cash flow	–	8
	22,403	21,503
Closing Balance		
Non Current Borrowing	**351**	27,534
Current maturities of Long term debt	**175**	175
Inter corporate deposit	**57,500**	7,000
Working Capital Loan	**256**	1,170
	58,282	35,879

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18. Provisions

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
(a) Non-Current		
Provision for employee benefits (Refer Note 33)		
Compensated absences	**213**	227
Gratuity benefits	**190**	183
Other Provisions		
Warranty & service coupon	**845**	366
Total	**1,248**	776
(b) Current		
Provision for employee benefits (Refer Note 33)		
Compensated absences	**31**	54
Gratuity benefits	**102**	146
Other Provisions		
Warranty & Service Coupon	**884**	419
Provision for disputes and contingencies*	**57**	1,868
Discount	–	4
Total	**1,074**	2,491

***Warranties**

A provision is recognised for expected warranty claims on products sold during the last three years, based on past experience of the level of repairs and claims. It is expected that these costs will be incurred within three years after the reporting date. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about claims based on the three-year warranty period for all products sold.

During the year ended 31 March 2021, the Company had made a provision for disputes and contingencies amounting Rs. 1,796 lakhs in respect of certain technology agreement. During the year ended 31 March 2022, an out of court settlement of the claim has been done along with termination of the technology agreement and the provision created has been fully utilised towards the settlement made.

18.01 Details of movement in Provisions is as follows:

(Rs. in lakhs)

Particulars	Warranty and Service Coupon	Disputes and contingencies	Discount
Balance at 01 April 2020	597	221	18
Additional provisions recognised	829	1,801	–
Amounts used during the year	(641)	–	–
Unused amounts reversed during the year	–	(154)	(14)
Balance at 31 March 2021	785	1,868	4
Additional provisions recognised	**2,082**	–	–
Amounts used during the year	**(1,138)**	**(1,811)**	–
Unused amounts reversed during the year	–	–	**(4)**
Balance at 31 March 2022	**1,729**	**57**	–

19. Trade Payables

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Total outstanding dues of micro and small enterprises ('MSME') (Refer Note 40)	**21**	24
Total outstanding dues of creditors other than micro and small enterprises	**9,539**	6,505
Total	**9,560**	6,529

Trade Payables Ageing Schedule

(Rs. in lakhs)

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As at March 31, 2022					
MSME	21	–	–	–	21
Others	8,453	122	928	36	9,539
Total	**8,474**	**122**	**928**	**36**	**9,560**
As at March 31, 2021					
MSME	24	–	–	–	24
Others	5,598	597	136	174	6,505
Total	5,622	597	136	174	6,529

20. Other Financial Liabilities

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Interest accrued	**1,888**	186
Accrued salary and benefits	**1,346**	1,327
Creditors for capital goods	**1,970**	2,824
Marked to market loss on forward contracts*	–	101
Total	**5,204**	4,438

* at Fair Value Through Profit and Loss

21. Other Liabilities

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Non-current		
Deferred revenue	**22**	–
Total	**22**	–
Current		
Advances received from customers	**2,441**	1,531
Deferred government grant	–	5
Deferred revenue	**68**	71
Statutory dues	**540**	343
Other payable	**2**	–
Total	**3,051**	1,950

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. Revenue from Operations

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Revenue from contracts with customers		
Sale of products	**36,048**	13,596
Sale/Rendering of Services	**8,308**	6,822
	44,356	20,418
Other Operating Revenue		
Scrap sale	**32**	23
	32	23
Total	**44,388**	20,441
Detail of revenue from contracts with customers		
(i) Sale of products		
Sale of electric vehicles	**29,686**	10,639
Sale of kits	**3,009**	1,002
Sale of spares	**3,353**	1,955
	36,048	13,596
(ii) Sale of services		
Product development	**8,268**	6,685
Income from leasing	**3**	107
After sales service	**37**	30
	8,308	6,822
Total	**44,356**	20,418

22.01 The following customer had transactions for more than 10% of the revenue:

(Rs. in lakhs)

Name of the Customer	Business segment	31 March 2022	31 March 2021
Mahindra & Mahindra Ltd.	Sale of Product and Product development and design fee	**7,920**	6,085

22.02 Revenue disaggregation by geography is as follows:

(Rs. in lakhs)

Geography	31 March 2022	31 March 2021
India	**40,249**	18,435
South Korea	**3,826**	1,663
Nepal	**179**	144
Others	**131**	92
Total	**44,385**	20,334

Geographical revenue is allocated based on the location of the customers.

Note 1: The amount of Rs. 3 lakhs (31 March 2021: Rs. 107 lakhs) pertaining to lease income has not been considered in the above revenue disclosure.

Note 2: Out of the total revenue recognised under Ind AS 115 during the period, Rs. 8,268 lakhs (31 March 2021: Rs. 6,685 lakhs) is recognised over a period of time and Rs. 36,120 lakhs (31 March 2021: Rs. 13,756 lakhs) is recognised at a point in time.

22.03 Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/Pos/WOs, etc.) at the end of 31 March 2022:

(Rs. in lakhs)

Time Band	31 March 2022	31 March 2021
< 1year	**4,182**	9,867
Total	**4,182**	9,867

22.04 Changes in unbilled revenue or contract assets are as follows:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening balance of unbilled revenue or contract assets	**3,185**	512
Additions during the year	**5,318**	4,776
Reclassification adjustments:		
- Billing from opening balance of contract assets to trade receivables	**(2,973)**	(512)
- Billing from contract assets created during the year transferred to trade receivables	**(775)**	(1,591)
Closing balance of unbilled revenue or contract assets	**4,755**	3,185

22.05 Changes in Deferred Revenue or Contract Liabilities including Advances received from customers are as follows:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening balance of deferred revenue or contract liabilities	**1,602**	1,883
Additions during the year	**4,042**	2,022
Reclassification Adjustments:		
- Adjustment from opening balances of contract liabilities to revenue	**(480)**	(1,308)
- Transfer from contract liabilities to revenue	**(2,633)**	(995)
Closing balance of Deferred Revenue or Contract Liabilities	**2,531**	1,602

22.06 Reconciliation of Revenue from Contracts with Customers

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Revenue from contracts with customers as per the contract price	**45,362**	20,192
Adjustments made to contract price on account of :-		
a) Discounts/Rebates/Incentives	–	–
b) Sales Returns/Reversals	**(48)**	(139)
c) Deferment of revenue	**(1,409)**	(1,027)
e) Recognition of revenue out of opening balance of contract liability	**480**	1,308
Revenue from Contracts with Customers	**44,385**	20,334

23. Other Income

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Interest Income on Financial Assets Carried at Amortized Cost		
Unwinding of interest on security deposit	**6**	–
Other non-operating Income		
Gain on redemption of mutual funds	**2**	–
Net Foreign Exchange gain	–	75

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Income from Government Grant	**5**	9
Liabilities no longer required written back	**214**	546
Interest on income tax refunds	**26**	73
Miscellaneous income	**83**	125
Total	**336**	828

24. Cost of Materials Consumed

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Inventories at the beginning of the year (Refer Note 12)	**4,794**	3,027
Add: Purchases made during the year	**29,885**	11,948
	34,679	14,975
Less: Issued for Product Development & Captive Consumption	**(525)**	(714)
Less: Inventories at the end of the year (Refer Note 12)	**(8,331)**	(4,794)
Cost of materials consumed	**25,823**	9,467

25. Changes in Inventories of Finished Goods

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Inventories at the end of the year:		
Finished goods (Refer Note 12)	**423**	255
	423	255
Inventories at the beginning of the year:		
Finished goods (Refer Note 12)	**255**	342
	255	342
Decrease in Inventories	**(168)**	87

26. Employee Benefits Expense

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Salaries and Wages, including bonus	**6,781**	5,215
Contribution to provident and other funds	**577**	545
Share based payments (Refer Note 34)	**(61)**	218
Staff welfare expenses	**473**	242
Total	**7,770**	6,220

27. Finance Cost

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Interest expenses on		
Financial liabilities measured at amortised cost	**1,867**	513
Lease liabilities	**3**	–
Defined benefit obligation (Refer Note 33)	**20**	17
Others	**7**	33
Total	**1,897**	563

28. Depreciation and Amortisation Expense

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Depreciation of Property, Plant and Equipment (Refer Note 4)	**1,916**	3,021
Depreciation of Right of Use Assets (Refer Note 6)	**50**	37
Amortisation of Intangible Assets (Refer Note 7)	**2,767**	2,604
Total	**4,733**	5,662

29. Other Expenses

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Power and Fuel	**175**	73
Rent	**239**	220
Rates and Taxes	**32**	19
Insurance	**48**	36
Repairs and Maintenance		
– Buildings	**36**	22
– Machinery	**497**	309
– Others	**114**	119
Advertisement	**832**	793
Net Foreign Exchange Loss	**39**	–
Marked to market loss on forward contract	–	101
Freight Outward	**1,474**	670
Sales Promotion expenses	**998**	150
Travelling and Conveyance Expenses	**205**	88
Allowances for expected credit losses	**(34)**	1,035
Provision for Disputes and Contingencies	–	1,796
Auditors remuneration and out-of-pocket expenses		
– As auditors	**20**	18
– For other services and certifications	**13**	1
– For reimbursement of expenses	**1**	1
Legal and Professional Expenses	**2,375**	1,989
Materials used in Customer Projects	**277**	334
Communication Costs	**39**	31
Sub-contracting Expenses	**909**	532
Security Charges	**127**	87
Recruitment Expenses	**190**	59
Research Costs	**147**	55
Warranties and Service Coupons	**2,074**	829
Loss on Assets Sold/Discarded (Net)	**360**	300
Loss on sale of assets held for sale	**57**	–
Provision for assets held for sale	–	56
Bank Charges	**28**	40
Other Miscellaneous Expenses	**449**	220
Total	**11,721**	9,983

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

30. Financial Instruments

The carrying value and fair value of financial instruments by categories are as follows:

(Rs. in lakhs)

Particulars	Note	31 March 2022 Carrying Value	31 March 2021 Carrying Value
Financial Assets			
Measured at Amortised Cost			
Security Deposits	9	**562**	206
Trade Receivables	13	**2,120**	1,488
Cash and Cash Equivalents	14	**4**	247
Total Financial Assets		**2,686**	1,941
Financial liabilities			
Measured at amortised cost			
Borrowings	17	**58,282**	35,879
Trade Payables	19	**9,560**	6,529
Other Financial Liabilities	20	**5,204**	4,337
Total Financial Liabilities		**73,046**	46,745

Particulars	31 March 2022	Level 1	Level 2	Level 3
Financial Liabilities at fair value through profit and loss	–	–	–	–
Marked to market loss on forward contracts:	–	–	–	–

Particulars	31 March 2021	Level 1	Level 2	Level 3
Financial Liabilities at fair value through profit and loss	–	–	–	–
Marked to market loss on forward contracts:	101	–	101	–

30.01 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The Company has not separately disclosed the fair values for financial assets and liabilities because their carrying amounts are a reasonable approximation of the fair value.

30.02 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board.

30.03 Financial Risk Management Objective And Policies

The Company's principal financial liabilities comprise borrowings, trade payables and other liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables and cash.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

The note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these Ind AS financial statements.

30.04 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables. Credit risk arises from cash held with banks and financial institutions as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of gross trade receivable spread by period of six months:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Outstanding for more than 6 months	**1,457**	1,407
Others	**1,756**	1,210
Total:	**3,213**	2,617

The Company continuously monitors receivables from customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry section.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Information about major customers

Revenue from single customer is approximately Rs. 7,920 lakhs (31 March 2021: Rs. 6,085 lakhs) representing 18% (31 March 2021: 30%) of Company's total revenue from operations for the year ended 31 March 2022. Receivables from single customer is approximately Rs. 1,751 lakhs (31 March 2021: Rs. 716 lakhs) representing 55% (31 March 2021: 27%) of Company's total receivables as at 31 March 2022. Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

30.05 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As of 31 March 2022, the Company has a working capital of Rs. 14,607 lakhs (31 March 2021: Rs. 3,170 lakhs (Negative)) including cash and cash equivalents of Rs. 4 lakhs (31 March 2021: Rs. 247 lakhs).

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021:

(Rs. in lakhs)

Particulars	**1 year or less**	**1 year to 5 years**	**5 years or more**	**Adjustments**	**Total**
As on 31 March 2022					
Borrowings (including interest)	3,132	57,866	–	–	**60,998**
Trade Payables	9,560	–	–	–	**9,560**
Other Financial Liabilities	5,204	–	–	–	**5,204**
Total	**17,896**	**57,866**	**–**	**–**	**75,762**

Particulars	1 year or less	1 year to 5 years	5 years or more	Adjustments	Total
As on 31 March 2021					
Borrowings (including interest)	10,622	31,918	–	–	42,540
Trade Payables	6,529	–	–	–	6,529
Other Financial Liabilities	4,438	–	–	–	4,438
Total	**21,589**	**31,918**	**–**	**–**	**53,507**

30.06 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

– **Currency risk**

Foreign Currency Exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in Foreign Currency Exchange rates. The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales, purchases and borrowings where the transactions are denominated in a currency other than the Company's functional currency.

Unhedged Foreign Currency Exposure as on 31 March 2022

Particulars	**Receivable**		**Payable**	
	Foreign Currency	**Local Currency (Rs. in Lakhs)**	**Foreign Currency**	**Local Currency (Rs. in Lakhs)**
USD	**2,720,142**	**2,060**	**1,560,610**	**1,182**
EURO	**574,548**	**486**	**386,282**	**327**
CAD	–	–	**1,520**	**0**
Total	**3,294,690**	**2,546**	**1,948,412**	**1,509**

Unhedged Foreign Currency Exposure as on 31 March 2021

Particulars	Receivable		Payable	
	Foreign Currency	Local Currency (Rs. in Lakhs)	Foreign Currency	Local Currency (Rs. in Lakhs)
USD	1,001,387	737	1,689,321	1,243
EURO	579,767	499	473,126	408
GBP	4,923	5	213	0
CAD	–	–	78,200	46
Total	1,586,077	1,241	2,240,860	1,697

Sensitivity Analysis of Unhedged Foreign Currency Exposure

(Rs. in lakhs)

Particulars	**31 March 2022**		31 March 2021	
	10% increase - Profit/ (Loss)	**10% decrease - Profit/ (Loss)**	10% increase - Profit/ (Loss)	10% decrease - Profit/ (Loss)
USD	**88**	**(88)**	(50)	50
EURO	**16**	**(16)**	9	(9)
CAD	**(0)**	**0**	(5)	5
Total	**104**	**(104)**	(46)	46

– **Interest rate risk**

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 is having borrowings in the form of term loans and working capital from bank. The Company is exposed to interest rate risk associated with its term loan due to floating rates of interest.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Sensitivity Analysis of Interest Rate Risk Exposure

(Rs. in lakhs)

Particulars	31 March 2022		31 March 2021	
	100 basis points increase - Profit/(Loss)	**100 basis points decrease - Profit/(Loss)**	100 basis points increase - Profit/(Loss)	100 basis points decrease - Profit/(Loss)
Term loan and working capital loan from bank	**(3)**	**3**	(282)	282
Total	**(3)**	**3**	(282)	282

30.07 Capital Management

The objective of Company's capital management is:

– to ensure the Company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions, requirements of the financial covenants and the risk characteristics of the underlying assets. The Company monitors capital on the basis of the carrying amount of equity including share application, securities premium and profit and loss account as presented on the face of the statement of financial position and on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

Net debt and Equity is given in the table below

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Total Shareholders' Equity as reported in Balance Sheet	**18,793**	25,508
Non current borrowings (including current maturities)	**57,851**	27,534
Current borrowings	**431**	8,345
Less: Cash and cash equivalents	**(4)**	(247)
Net Debt	**58,278**	35,632
Total Capital Employed	**77,071**	61,140
Gearing Ratio	**76%**	58%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No change were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022.

31. Leases

Details of leasing arrangements

As Lessor

Operating Lease

The Company has leased out power pack batteries on operating lease for a period of up to 5 years and such assets are to be returned to the Company at the end of lease term.

Future minimum lease receipts

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Within one year	–	2
After one year but not more than five years	–	–
More than five years	–	–
Total	–	2

As Lessee

The Company has taken land and vehicles on lease during the year for its operation. Leases of land has a lease terms of 2 years, while motor vehicles generally have lease terms between 3 and 5 years.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability and ROU assets at the present value of the future lease payments discounted at the incremental borrowing rate prevailing during the period. Weighted average incremental borrowing rates of 7.25% (land) and 9.25% (vehicles) have been applied to lease liabilities recognised in the balance sheet at the date of initial recognition.

The movement in carrying value of right of use assets during the year ended 31 March 2022 and 31 March 2021 is provided in Note 6.

The following is the movement in lease liabilities during the year ended 31 March, 2022 and 31 March, 2021:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	–	–
Addition during the year	**172**	–
Finance cost accrued during the year	**3**	–
Payment of lease liabilities	**(7)**	–
Balance at the end of the year	**168**	–

The following is the break-up of current and non-current lease liabilities as at 31 March, 2022 and 31 March, 2021:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Current lease liabilities	**57**	–
Non-current lease liabilities	**111**	–
Total	**168**	–

The following are the details of contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021:

(Rs. in lakhs)

Maturity analysis – contractual undiscounted cash flows	Undiscounted basis	Discounted basis
Less than 1 year	**59**	57
1-3 years	**84**	74
3-5 years	**55**	37
More than 5 years	–	–
Total lease liabilities	**198**	168

The following are the amounts recognised in profit or loss

(Rs. in lakhs)

Particulars	31st March, 2022	31st March, 2021
i. Depreciation charge for ROU assets (refer note-28)	**50**	37
ii. Interest expense on lease liabilities (refer note-27)	**3**	–
iii. Expense relating to short-term leases (refer note-29)	**239**	220
iv. Expense relating to leases of low-value assets	–	–

The company had total cash outflows for leases of Rs. 246 lakhs (31 March 2021: Rs 220 lakhs), including cash outflow of short-term leases.

32. Earnings per share

(Rs. in lakhs except per share data)

Particulars	31 March 2022	31 March 2021
Basic and Diluted Earnings per Share		
Loss for the year	**(7,052)**	(10,713)
Weighted average number of equity shares outstanding (Nos.)	**358,904,631**	343,805,897
Basic and Diluted Earnings per Share of Rs.10 each	**(1.96)**	(3.12)

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

33. Employee benefits

(a) Defined contribution plan

The Company's contribution to Provident Fund aggregating to Rs. 434 lakhs (31 March 2021: Rs. 405 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined benefit plan:

Gratuity

The Company operates one defined benefit plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

Through the defined benefit plan the Company is exposed to the following risks:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plan holds a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

The Company has chosen a suitable plan with Insurance, which augurs well with the Company's long term strategy to manage the plan efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings.

Life expectancy

Increase in life expectancy will result in an increase in the plan's liabilities, as the inflationary increases result in higher sensitivity to changes in life expectancy.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

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

	Actuarial Assumptions	
Particulars	**31 March 2022**	31 March 2021
Discount rate(s)	**7.11%**	6.53%
Expected rate(s) of salary increase	**7.00%**	7.00%
Average longevity	**Indian Assured Lives Mortality (2012-14) ultimate**	Indian Assured Lives Mortality (2012-14) ultimate

Defined benefit plan – as per actuarial valuation

(Rs. in lakhs)

	Funded Plan	
Particulars	**31 March 2022**	31 March 2021
Amounts recognised in comprehensive income in respect of the defined benefit plan are as follows:		
Service cost:		
Current service cost	**117**	135
Net interest expense	**58**	49
Expected return on assets	**(38)**	(33)
Components of defined benefit costs recognised in the Statement of Profit and Loss	**137**	151

(Rs. in lakhs)

	Funded Plan	
Particulars	**31 March 2022**	31 March 2021
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/loss arising from changes in financial assumptions	**(66)**	(57)
Components of defined benefit costs/(credit) recognised in other comprehensive income	**(66)**	(57)
	71	94

(Rs. in lakhs)

Particulars	**31 March 2022**	31 March 2021
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	**(846)**	(863)
2. Fair value of plan assets	**554**	534
3. Deficit	**(292)**	(329)
4. Current portion	**102**	146
5. Non-current portion	**190**	183
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**863**	775
2. Expenses Recognised in Profit or Loss		
– Current Service Cost	**117**	135
– Interest Expense	**58**	49
3. Recognised in Other Comprehensive Income	–	–
Remeasurement loss		
– Actuarial loss/(gain) arising from:	**(84)**	(55)
4. Benefit payments	**(108)**	(41)
Present value of defined benefit obligations at the end of the year	**846**	863

Particulars	**31 March 2022**	31 March 2021
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**534**	499
2. Expenses Recognised in Profit or Loss		
– Expected return on plan assets	**38**	33
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actual Return on plan assets in excess of the expected return	**(18)**	2
4. Contributions by employer (including benefit payments recoverable)	**108**	41
5. Benefit payments	**(108)**	(41)
Fair Value of Plan Assets at the end of the year	**554**	534
IV. The Major categories of plan assets		
– Investment with insurer	**100%**	100%

The Company's policy is driven by considerations of maximizing returns. The asset allocation for plan assets is determined by the insurance company based on investment criteria prescribed by the local regulators. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

(Rs. in lakhs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligations: Increase in assumption	Impact on defined benefit obligations: Decrease in assumption
Discount rate	**2022**	**1.00%**	**(74)**	**86**
	2021	1.00%	(79)	93
Salary growth rate	**2022**	**1.00%**	**81**	**(71)**
	2021	1.00%	82	(75)

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

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

VI. Maturity profile of defined benefit obligation:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Within 1 year	**52**	49
1 - 2 years	**49**	42
2 - 3 years	**48**	38
3 - 4 years	**33**	36
4 - 5 years	**26**	55
5 - 10 years	**115**	148
Above 10 years	**523**	497
Total	**846**	865

VII. Experience adjustments:

(Rs. in lakhs)

Particulars	Gratuity 31 March 2022	Gratuity 31 March 2021
1. Defined benefit obligation	**846**	863
2. Fair value of plan assets	**554**	534
3. Deficit	**(292)**	(329)
4. Experience adjustment on Plan Liabilities Loss	**(84)**	(55)
5. Experience adjustment on Plan Assets Gain/(Loss)	**(18)**	2

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation. The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company expect to contribute Rs. 102 lakhs to gratuity fund in the next financial year.

34. Employee share based payment plan

a) Description of share-based payment arrangements

The Company has the following share-based payment arrangement for employees:

Mahindra Electric Mobility Limited ESOP Scheme ('MEML ESOP - 2017')
The MEML ESOP - 2017 plan was approved by the Board of Directors pursuant to resolution passed at its meeting held on 02 November 2017 read with special resolution passed by the shareholders at the Extraordinary General Meeting held on 10 November 2017. The plan entitles the employees with a right but not an obligation to purchase or subscribe at a future date the shares underlying the option at a pre-determined price, subject to compliance with vesting conditions; all exercised options shall be settled by physical delivery of equity shares or as provided under the MEML ESOP - 2017 plan. As per the plan, holders of vested options are entitled to purchase one equity share of Rs.10 each for every option at an exercise price of Rs. 24.90 each or Rs. 25.17 or Rs. 25.48 or Rs. 25.91 each as per ESOP offer letter.

The Company has computed the fair value of the options for the purpose of accounting for the employee stock compensation expense over the vesting period of the options.

The Company has computed the fair value of the options for the purpose of accounting for the employee stock compensation expense over the vesting period of the options.

The terms and conditions related to the grant of the share options are as follows:

(No. of options)

Employees entitled	Vesting conditions	For the year ended 31 March 2022	For the year ended 31 March 2021
Specified employees	One to four years of service from grant date	**4,802,787**	9,030,753
Total share options outstanding		**4,802,787**	9,030,753

For continuing employees, the options which vest would have to be exercised within a period of 5 years from the respective dates of vesting of options. No portion of the options vested can be exercised after a period of 5 years from the date of each vesting.

The number and reconciliation of the share options under the share option plan are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding at the beginning	**9,030,753**	9,333,000
Granted during the year	–	169,490
Forfeited and expired during the year	**(2,893,844)**	(96,716)
Settled during the year	**(1,334,122)**	(375,021)
Outstanding at the end	**4,802,787**	9,030,753
Exercisable at the end	**3,029,212**	3,395,379

c) The fair value per option is measured based on the Black-Scholes option pricing model, which is as below:

Measurement of fair value	Number of options	Range of fair value per option
From 1 April 2021 to 31 March 2022	**4,802,787**	**Rs.10.40 - Rs.16.70**
From 1 April 2020 to 31 March 2021	9,030,753	Rs.10.40 - Rs.16.70

The fair value per options mentioned above is calculated on the grant date using the Black-Scholes option pricing model with the following assumptions:

d) Assumptions

	For the year ended 31 March 2022	For the year ended 31 March 2021
Risk free interest rate	**4.9% - 7.99%**	4.9% - 7.99%
Dividend yield	–	–
Expected volatility	**42.3% - 56.1%**	42.3% - 56.1%
Expected life	**5 years**	5 years

e) During the year, the Company recorded a share based payment reversal of negative Rs. 61 lakhs (31 March 2021: Rs. 218 lakhs expense) in the Statement of Profit and Loss.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

f) The weighted average contractual life of options granted is 7.5 years (31 March 2021: 7.5 years).

35. Segment reporting

The Company currently operates in a single reportable segment i.e., design and manufacture of electrically powered vehicles and designing and development of related technology for end use vehicles. Consequently, the requirement for a separate disclosure under Ind AS 108 - "Operating Segments" is not applicable.

36. Contingent Liabilities and Commitments

Contingent Liabilities (Rs. in lakhs)

	Particulars	31 March 2022	31 March 2021
(a)	Central Excise/Service tax matters under dispute #	**147**	147
(b)	Bank Guarantees	**164**	113

(c) In February 2019, Hon'ble Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company had been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company had made a provision for provident fund contribution from the date of Supreme Court order.

Commitments

(Rs. in lakhs)

	Particulars	31 March 2022	31 March 2021
(a)	Estimated amount of contracts remaining to be executed and not provided for.	**16,768**	23,559

The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/Courts and the ultimate outcome will not have a material adverse effect on the Company's financial position and results of its operations.

37. Unrecognised Deferred Tax Assets/(Liability) (Net)

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Deferred tax liability		
Property, Plant and Equipment	**4,134**	1,787
	4,134	1,787
Deferred Tax Assets		
On Carry Forward Business Losses, Unabsorbed Depreciation and unabsorbed capital Research & Development expenditure claimed u/s 35(1)(iv)	**22,009**	25,518
Provisions	**1,098**	1,458
	23,107	26,976
Deferred Tax Assets/(Liability) (Net) (Refer Note below)	**–**	–

Net deferred tax assets have been recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised.

37.01 Amount and Expiry date of Unused Tax Losses for which no Deferred Tax Assets is recognised:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Up to Five years	**27,017**	44,173
More than Five years	**7,665**	12,326
No Expiry	**52,759**	41,648
	87,441	98,147

38. Related Party Disclosures

Names of related parties and related party relationship:

a) Related parties where control exists:

Name of the party	Description of relationship
Mahindra & Mahindra Limited ("M&M Ltd.")	Holding Company
Mahindra Vehicles Manufacturers Limited ("MVML")	Holding Company *(till 30 June 2021)*

b) Related parties with whom transactions have taken place:

Name of the party	Description of relationship
NBS International Limited ("NBS")	Fellow subsidiary
Mahindra Intertrade Limited ("MIL")	Fellow subsidiary
Meru Mobility Tech Private Limited ("MMTPL")	Fellow subsidiary
Ssang Yong Motor Company ("SYMC") *(Till 24 December 2020)*	Fellow subsidiary
Mahindra CIE Automotive Limited ("MCAL")	Associate company of the Ultimate Holding Company
Mahindra Engineering and Chemical Products Limited ("MECPL")	Fellow subsidiary
Mahindra Retail Limited ("MRL")	Fellow subsidiary
Lords Freight India Pvt Ltd ("LFIPL")	Fellow subsidiary
Mahindra Logistics Limited ("MLL")	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited ("MIBSPL")	Fellow subsidiary
Mahindra Auto Steel Private Limited ("MASPL")	Fellow subsidiary
Mahindra & Mahindra Financial Services Limited ("MMFSL")	Fellow subsidiary
Mahindra eMarket Limited ("M E Mkt")	Fellow subsidiary
Mahindra Steel Services Centre Limited ("MSSCL")	Fellow subsidiary

(d) Key management personnel:

Ms. Suman Mishra *(CEO from 14 August 2021)*
Mr. Mahesh Babu *(CEO till 14 August 2021)*
Mr. Ashish Lath *(CFO from 01 June 2020)*
Mr. Saroj Khuntia *(CFO till 31 May 2020)*
Mr. Jignesh Parikh *(Company Secretary)*

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

38. Related Party Transactions (contd..)

(Rs. in lakhs)

Particulars	Year	M&M Ltd.	MVML	NBS	MIL	MMTPL	SYMC	KMPs	MCAL	MECPL	MRL	LFIPL	MLL	MIBSPL	MASPL	MMFSL	M E Mkt	MSSCL	Total
Transactions during the year																			
Sale of Goods and Services	**31 March 2022**	**1,667**	–	**127**	–	**4**	–	–	–	–	–	–	–	–	–	–	–	–	**1,798**
	31 March 2021	883	159	175	–	–	191	–	–	–	–	–	–	–	–	–	–	–	1,408
Development Fee	**31 March 2022**	**6,253**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**6,253**
	31 March 2021	5,202	–	–	–	–	1,062	–	–	–	–	–	–	–	–	–	–	–	6,264
Purchase of Goods and Services	**31 March 2022**	**409**	–	–	**0**	–	–	–	**1,341**	**1**	–	**24**	**641**	**58**	**0**	**42**	**48**	**192**	**2,756**
	31 March 2021	47	–	–	7	–	–	–	498	3	1	34	424	53	2	–		76	1,145
Purchase of Property, Plant & Equipment	**31 March 2022**	**8**	–	–	–	–	–	–	**4**	–	–	–	–	–	–	–	–	**21**	**33**
	31 March 2021	–	–	–	–	–	–	–	263	–	–	–	–	–	–	–	–	–	263
Inter Corporate Deposit Taken	**31 March 2022**	**50,500**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**50,500**
	31 March 2021	10,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	10,000
Inter Corporate Deposit Repaid	**31 March 2022**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31 March 2021	3,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,000
Interest Expenses	**31 March 2022**	**2,318**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**2,318**
	31 March 2021	60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	60
Rent Expenses	**31 March 2022**	**6**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**6**
	31 March 2021	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6
Reimbursement of expenses by the Company	**31 March 2022**	**1,813**	–	**6**	**2**	–	–	–	–	–	–	**0**	–	–	–	–	–	–	**1,821**
	31 March 2021	1,191	67	1	19	–	–	–	–	–	–	–	–	–	–	–	–	–	1,278
Cross charge of expenses to others	**31 March 2022**	**377**	–	–	–	–	–	–	–	–	–	–	–	–	–	**2**	–	–	**379**
	31 March 2021	489	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	489
Allotment of Equity Shares (including premium)	**31 March 2022**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31 March 2021	–	8,997	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8,997

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	Year	M&M Ltd.	MVML	NBS	MIL	MMTPL	SYMC	KMPs	MCAL	MECPL	MRL	LFIPL	MLL	MIBSPL	MASPL	MMFSL	M E Mkt	MSSCL	Total
Remuneration to Key Management Personnel																–			
Ashish Lath	**31 March 2022**							**83**											**83**
	31 March 2021							69											69
Suman Mishra	**31 March 2022**							**46**											**46**
	31 March 2021							–											–
Mahesh Babu	**31 March 2022**							**69**											**69**
	31 March 2021							184											184
Saroj Khuntia	**31 March 2022**							–											–
	31 March 2021							11											11
Balances as at year end																			
Deferred Revenue	**31 March 2022**	**68**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**68**
	31 March 2021	71	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	71
Unbilled revenue	**31 March 2022**	**4,755**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**4,755**
	31 March 2021	2,676	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,676
Amount Receivables	**31 March 2022**	**1,751**	–	**2**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,753**
	31 March 2021	716	71	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	787
Amount Payables	**31 March 2022**	**218**	–	**13**	–	**0**	–	–	**399**	–	–	**20**	**63**	**5**	–	**10**	–	**51**	**779**
	31 March 2021	216	8	–	–	0	–	–	207	0	–	0	202	3	–	–		17	653
Advance Paid	**31 March 2022**	**168**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**168**
	31 March 2021	171	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	171
Advance from customers	**31 March 2022**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31 March 2021	–	–	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4
Inter Corporate Deposit	**31 March 2022**	**57,500**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**57500**
	31 March 2021	7,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,000
Interest Accrued	**31 March 2022**	**1,878**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,878**
	31 March 2021	43	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	43

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note:

i) The remuneration to the KMP does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

ii) The remuneration to KMP includes short-term employee benefit of Rs. 80 lakhs and other long-term benefits of Rs. 3 lakhs.

iii) Mahindra Vehicles Manufacturers Limited ("MVML") was the Holding Company of the Company till 30 June 2021 post which it got merged with Mahindra & Mahindra Limited.

Tems and conditions

All transactions with related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

39. Research and Development Expenditure

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Debited to Statement of Profit or loss, including certain expenditure based on allocations made by the Company (excluding depreciation and amortization)	**1,231**	317
Development expenditure, computer software, patent and trademark expenditure	**8,085**	8,920
Capital expenditure/Non-recurring expenditure	**746**	750
Total	**10,062**	9,987
Break-up of Research and Development Expenditure		
Raw Material and Components	**908**	436
Salaries and Wages	**3,467**	4,355
Professional Charges	**3,693**	4,059
Rent	**12**	–
Travel expenses	**13**	12
Computer Software	**341**	161
Capital expenditure	**746**	750
Others	**882**	214
Total	**10,062**	9,987

40. Disclosures related to micro, small and medium enterprises

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2022 and 31 March 2021.

(Rs. in lakhs)

		31 March 2022	31 March 2021
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
	– Principal amount	**20**	23
	– Interest on the above	**1**	1
(ii)	The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**1**	1
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

41. Management's assessment on impairment of non-financial assets:

The Company tests whether Property, plant and equipment, Intangible assets, Capital work-in-progress, Right-of-use assets and Intangible assets under development have suffered any impairment on an annual basis as at 31 March every year. The recoverable amount of a cash generating unit ('CGU') is determined based on Value-In-Use calculations by forecasting the latest cash flows of next eight years and applying a growth rate beyond approved forecast period. The growth rates used in the Value-In-Use calculation reflect those inherent within the Company's budgets, which is primarily a function of the Company's cycle plan assumptions, past performance, and management expectations of future market developments through to 2029-30.The calculations use pre-tax cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below:

Assumptions	31 March 2022	31 March 2021
Revenue growth for 8 years (31 March 2021: 9 years)	**40%**	35%
Operating EBITDA to revenue % (Average)	**10%**	10%
Discount rate	**18%**	18%
Terminal growth rate	**5%**	5%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of the operations and cash flows. Based on the above assessment, there has been no impairment on these assets.

42. Impact of COVID-19

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption and recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

43. Additional Regulatory Information

a. Analytical Ratios

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Variance (%)	Reason for variance
a. Current ratio	Current Assets	Current Liabilities	**1.75**	0.86	103%	Refer note 1
b. Debt-equity ratio	Debt (borrowings + lease liabilities)	Shareholders equity	**3.11**	1.41	121%	Refer note 2
c. Debt service coverage ratio	Earnings available for debt service (1)	Debt Service	**(0.00)**	(0.12)	99%	Refer note 3
d. Return on equity ratio	Net profits after taxes	Average shareholder's equity	**-32%**	-41%	22%	
e. Inventory turnover ratio	Cost of goods sold	Average inventory	3.74	2.25	66%	Refer note 4
f. Trade receivables turnover ratio	Revenue from operations	Average trade receivables	**15.23**	5.49	177%	Refer note 5
g. Trade payables turnover ratio	Adjusted expenses (2)	Average trade payables	**5.17**	3.42	51%	Refer note 5
h. Net capital turnover ratio	Revenue from operations	Working capital	**3.04**	(6.45)	147%	Refer note 6
i. Net profit ratio	Net profit	Revenue from operations	**-17%**	-56%	71%	Refer note 7
j. Return on capital employed	Earning before interest and taxes	Capital employed (3)	**-7%**	-17%	60%	Refer note 7

Notes:

1. Better working capital management has resulted in an improvement in the ratio.
2. During the year, Company has taken additional Inter Corporate Deposit from Holding Company.
3. Improved operational margin has led to an improved debt service coverage ratio.
4. Increase in business volumes during the year resulting in higher COGS.
5. Increase in business volumes during the year resulting in higher revenue from operations and higher expenses.
6. Increase in business volumes during the year resulting in higher revenue from operations
7. Significant improvement in operational margin has resulted in improved net profit ratio and return on capital employed.

(1) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Adjusted expenses refers sum of purchases and other expenses

(3) Capital Employed = Tangible Net Worth + Total Debt

b. Others

Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. Consequent to Schedule III amendments being made effective 1 April 2021, previous year numbers pertaining to:

i. security deposits of Rs. 206 Lakhs has been reclassed from non-current loans to non-current financial assets.

ii. current maturities of long term debt of Rs. 175 Lakhs has been reclassed from other financial liabilities to current borrowings.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022