

Samvardhana Motherson Hamakyorex Engineered Logistics Ltd. (CIN: U60300DL2018PLC342942)
Balance sheet as at March 31, 2023

(All amounts in 000 INR, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	4,84,170	1,36,500
Right of use assets	3(b)	39,597	-
Other intangible assets	4	4,259	7,874
Financial assets			
(i) Other financial assets	8	9,508	2,535
Non-current tax assets (net)	9(a)	12,470	5,551
Other non current asset	10	3,960	5,413
Total non-current assets		5,53,964	1,57,873
Current assets			
Financial assets			
(i) Trade receivables	5	38,736	20,184
(ii) Cash and cash equivalents	6	43,021	33,460
(iii) Other bank balances	7	-	4,50,562
(iv) Other financial assets	8	35,082	8,933
Current tax assets (net)	9(b)	-	3,936
Other current assets	10	99,242	52,376
Total current assets		2,16,081	5,69,451
Total assets		7,70,045	7,27,324
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	9,20,000	9,20,000
Other equity			
Reserves and surplus	12	(2,28,593)	(2,17,666)
Total equity		6,91,407	7,02,334
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Lease liabilities	13(a)	33,071	-
Employee benefit obligations	13(b)	3,699	3,587
		36,770	3,587
Current liabilities			
Financial Liabilities			
(i) Lease liabilities	13(a)	6,168	-
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	14(a)	10,218	-
Total outstanding dues of creditors other than micro and small enterprises	14(a)	16,029	17,346
(iii) Other financial liabilities	14(b)	2,780	-
Other current liabilities	15	2,492	1,573
Employee benefit obligations	13(b)	4,181	2,484
Total current liabilities		41,868	21,403
Total liabilities		78,638	24,990
Total equity and liabilities		7,70,045	7,27,324

Summary of significant accounting policies

2.1

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

For and on behalf of the Board of Directors

Samvardhana Motherson Hamakyorex Engineered Logistics Ltd.
Vivek Avasthi

Director (DIN. 00033876)

Sanjay Mehta

Director (DIN. 03215388)

 per **Anil Mehta**

Partner

Membership No. 095812

Nitin Sharma

COO and Manager

Gaurav Pahwa

Chief Financial officer

Divya Rastogi

Company Secretary

Place: Gurugram

Place: Noida

Samvardhana Motherson Hamakyorex Engineered Logistics Ltd. (CIN: U60300DL2018PLC342942)
Statement of profit and loss for the year ended March 31, 2023

(All amounts in 000 INR, unless otherwise stated)			
	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from contracts with customers	16	4,16,227	1,97,947
Other income	17	15,998	20,694
Total income		4,32,225	2,18,641
Expenses			
Employee benefit expense	18	89,075	63,875
Finance cost	19	1,272	-
Depreciation and amortisation expense	20	44,185	26,386
Other expenses	21	3,08,716	1,76,592
Total expenses		4,43,248	2,66,853
Profit/(Loss) before tax		(11,023)	(48,212)
Tax expenses			
-Current tax		-	-
-Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		(11,023)	(48,212)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain/(loss) of defined benefit obligation	12	96	92
Deferred tax on remeasurements of post-employment benefit obligations		-	-
Other comprehensive income/(loss) for the year, net of tax		96	92
Total comprehensive income/(loss) for the year		(10,927)	(48,121)
Earnings/Loss per share:			
Nominal value per share: INR 10 (Previous year : INR 10)			
Basic	21	(0.12)	(0.52)
Diluted	21	(0.12)	(0.52)

Summary of significant accounting policies 2.1

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number : 301003E/ E300005

per **Anil Mehta**
Partner
Membership No. 095812

For and on behalf of the Board of Directors of
Samvardhana Motherson Hamakyorex Engineered Logistics Ltd.

Vivek Avasthi
Director (DIN. 00033876)

Sanjay Mehta
Director (DIN. 03215388)

Nitin Sharma
COO and Manager

Gaurav Pahwa
Chief Financial officer

Divya Rastogi
Company Secretary

Place: Gurugram

Place: Noida

A. Equity share capital

	Note	Amount
As at March 31, 2021	11	9,20,000
Issue of equity share capital	11	-
As at March 31, 2022	11	9,20,000
Issue of equity share capital	11	-
As at March 31, 2023		9,20,000

B. Other equity

	Note	Amount
Balance as at March 31, 2021		(1,69,546)
Profit/(Loss) for the year		(48,212)
Other comprehensive income		92
Balance as at March 31, 2022	12	(2,17,666)
Profit/(Loss) for the year		(11,023)
Other comprehensive income		96
Total comprehensive loss for the year		(10,927)
Balance as at March 31, 2023	12	(2,28,593)

Summary of significant accounting policies

2.1

The above statement of changes in equity should be read in conjunction with the accompanying notes

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

per **Anil Mehta**

Partner

Membership No. 095812

For and on behalf of the Board of Directors of

Samvardhana Motherson Hamakyorex Engineered Logistics Ltd.**Vivek Avasthi**

Director (DIN. 00033876)

Sanjay Mehta

Director (DIN. 03215388)

Nitin Sharma

COO and Manager

Gaurav Pahwa

Chief Financial officer

Divya Rastogi

Company Secretary

Place: Gurugram

Place: Noida

Cash Flow Statement for the year ended March 31, 2023

(All amounts in 000 INR, unless otherwise stated)

	For the year ended March 31, 2023	For the period March 31, 2022
A. Cash flow from operating activities:		
Loss before tax	(11,023)	(48,212)
Adjustments for:		
Depreciation and amortisation expense	44,185	26,386
Provision for doubtful deposit	1,150	-
Finance cost	1,272	-
Interest income	(15,998)	(20,694)
Operating profit / (loss) before working capital changes	19,586	(42,520)
Change in working Capital:		
Increase/(decrease) in trade payables	8,901	(6,927)
Increase/(decrease) in other current liabilities	919	392
Increase/(decrease) in provision	1,904	2,075
(Increase)/decrease in trade receivables	(18,552)	1,389
(Increase)/decrease in other financial assets	(35,023)	(5,460)
(Increase)/decrease in other assets	(54,395)	17,629
Cash utilised in operations	(76,660)	(33,423)
- Taxes paid	(2,983)	(5,463)
Net cash used in operations	(79,643)	(38,886)
B. Cash flow from investing activities:		
Payments for property, plant & equipment	(3,83,420)	(493)
Interest received	24,875	12,153
Movement in bank deposit	4,50,562	5,204
Net cash from investing activities	92,017	16,864
C. Cash flow from financing activities:		
Payment of lease liability	(2,813)	-
Net cash used in financing activities	(2,813)	-
Net increase/(decrease) in cash & cash equivalents	9,561	(22,022)
Net cash and cash equivalents at the beginning of the year	33,460	55,482
Cash and cash equivalents as at end of the year	43,021	33,460
Cash and cash equivalents comprise of the following (Note 6)		
Balances with banks		
- in current accounts	6,525	3,572
- in wallets	10,934	4,888
- deposits with original maturity of less than three months	25,562	25,000
Total	43,021	33,460

Notes:

- The above cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard-7, "Statement of Cash Flow".
- Figures in brackets indicate cash outflow

Summary of significant accounting policies

2.1

The above statement of cash flow should be read in conjunction with the accompanying notes.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

For and on behalf of the Board of Directors of

Samvardhana Motherson Hamakyorex Engineered Logistics Ltd.

Vivek Avasthi

Director (DIN. 00033876)

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Samvardhana Motherson Hamakyorex Engineered Logistics Ltd. (CIN: U60300DL2018PLC342942)

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

(All amounts are in 000 INR, unless otherwise stated)

1 Corporate Information

Samvardhana Motherson Hamakyorex Engineered Logistics Limited ("SAMRX" or "the Company"), is incorporated in India on December 12, 2018. The address of its registered office is 2nd Floor, F-7, Block B-1, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044. The Company is a public limited company domiciled in India. The main object of the Company is to provide logistic services by all means of transportation by land, sea, rail, inland waterways, air and multimodal transport etc. including services for management of warehouses & logistics and other related services.

Initially, the 100% equity of the Company was held by Motherson Lease Solution Limited, the wholly owned subsidiary of Motherson Auto Limited. W.e.f 27th March 2019, the 100% equity of the Company has been transferred to Samvardhana Motherson International Limited (SAMIL) and on 13th April 2019 a Joint Venture agreement executed between Hamakyorex Co. Limited and SAMIL through Samvardhana Motherson Global Carriers Limited ("SMGCL"). Now SMGCL & Hamakyorex Co. Limited, Japan hold 50% each in SAMRX.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on May 20, 2023

2.1 Significant accounting policies

(a) Basis of preparation

Compliance with Ind AS

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

The financial statements have been prepared on a historical cost basis, except for the assets and liabilities stated separately, if any.

The financial statements are presented in INR and all values are rounded to the nearest thousands, except when otherwise stated. Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Company.

New and amended standards and interpretations

The Company applied for the first time certain standards or amendments which are effective for annual periods beginning on or after April 1, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Conceptual framework for financial reporting under Ind AS issued by Institute of Chartered Accounts of India ('ICAI')

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Company.

(ii) **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16**

The amendments modified paragraph 17(c) of Ind AS 16 to clarify 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 amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments had no impact on the financial statements of the Company.

(iii) **Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter**

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Company as it is not a first-time adopter.

(iv) **Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company.

(v) **Ind AS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41. The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the financial statements of the Company as it did not have assets in scope of Ind AS 41 as at the reporting date.

(b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately, if required.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

(c) 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

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.

(d) Foreign currencies

(i) Functional and presentation currency

The Company's financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges.

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(e) Revenue recognition and Other income

(i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.1.(e)(i)

However, Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised

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Sale of services

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date when the outcome of the transaction can be estimated reliably.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on services such as service tax, Goods and service tax etc.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Contract assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

Contract liabilities

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

Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

(ii) Interest income

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument 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 financial instrument (for example, prepayment, extension, charges, call and similar options) but does not consider expected credit losses.

(iii) Rental income:

Rental income arising from investment properties given under operating leases is accounted for on a straightline basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

(iv) Dividend:

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

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(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the entity has a legally enforceable right to off set and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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(g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Hub: 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (h) Impairment of non-financial assets.

Motor Vehicle : 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (h) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change 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.

(j) Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the market.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified and measured at :

- Amortised cost
- Fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Debt instruments at Fair value through Other Comprehensive income (FVTOCI)

A debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instrument at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- d) Loan commitments which are not measured as at FVTPL.
- e) Financial guarantee contracts which are not measured as at FVTPL.

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

Loans and borrowings

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

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

This category generally applies to borrowings and other payables.

Derecognition

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

Off setting of financial instruments

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(k) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes wherever required:

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

(l) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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 recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful life (years)*
Office equipment	5 years
Computers	3 years
Furniture & fixtures	6 years
Motor bikes	3 years
Vehicle	8 years

*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. 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.

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

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.

(m) Intangible assets

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

Assets	Useful life (years)
Software	5 years

Intangible assets with finite lives 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 least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. 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.

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.

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

(n) Provisions and contingent liabilities

Provisions

Provisions for legal claims, product warranties and make good obligations are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of 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.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(o) Employee benefits

Short-term obligations

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

Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The company recognizes contribution payable to the provident fund scheme as expenditure in the statement of profit and loss, when an employee renders the related service.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Gratuity plan of the Company is unfunded as of now.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in income.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in income.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Division Maker “CODM” of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole.

(q) Dividends

Provision is made for the amount of any dividend if declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company’s accounting policies, there are no significant judgements established by the management.

Estimates and assumptions

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

(i) Useful life of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differencing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(iii) Defined benefit plans

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

Further details about gratuity obligations are given in Note 13(b).

(All amounts in INR "000", unless otherwise stated)

3(a). Property, plant and equipment

Particulars	Vehicles	Motor Bike	Furnitures & Fixture	Office Equipments	Computers	Total
Gross carrying amount						
As at April 01, 2021	1,73,963	-	1,090	741	126	1,75,920
Additions	324	-	-	168	-	492
As at March 31, 2022	1,74,287	-	1,090	909	126	1,76,412
Accumulated depreciation						
As at April 01, 2021	16,570	-	303	246	79	17,198
Depreciation	22,315	-	179	174	47	22,715
As at March 31, 2022	38,885	-	482	420	126	39,913
Net carrying value as at March 31, 2022	1,35,402	-	608	489	-	1,36,499
Gross carrying amount						
As at April 01, 2022	1,74,287	-	1,090	909	126	1,76,412
Additions	3,84,671	215	214	78	571	3,85,749
As at March 31, 2023	5,58,958	215	1,304	987	697	5,62,161
Accumulated depreciation						
As at April 01, 2022	38,885	-	482	420	126	39,913
Depreciation	37,586	6	186	185	115	38,078
As at March 31, 2023	76,471	6	668	605	241	77,991
Net carrying value as at March 31, 2023	4,82,487	209	636	382	456	4,84,170

3(b). Right of use assets

The company has lease contracts for land & building and vehicles. Leases of land & building and vehicles have lease terms of 5 years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Land & Building	Vehicles	Total
Gross carrying amount			
As at April 01, 2021	-	-	-
Additions	-	-	-
As at March 31, 2022	-	-	-
Accumulated Depreciation			
As at April 01, 2021	-	-	-
Amortisation	-	-	-
As at March 31, 2022	-	-	-
Net carrying value as at March 31, 2022	-	-	-
Gross carrying amount			
As at April 01, 2022	-	-	-
Additions	37,408	4,681	42,089
As at March 31, 2023	37,408	4,681	42,089
Accumulated depreciation			
As at April 01, 2022	-	-	-
Amortisation	2,191	301	2,492
As at March 31, 2023	2,191	301	2,492
Net carrying value as at March 31, 2023	35,217	4,381	39,597

4. Other intangible assets

Particulars	Software
Gross carrying amount	
As at April 01, 2021	18,052
Additions	-
As at March 31, 2022	18,052
Accumulated amortisation	
As at April 01, 2021	6,507
Amortisations	3,671
As at March 31, 2022	10,178
Net carrying value as at March 31, 2022	7,874
Gross carrying amount	
As at April 01, 2022	18,052
Additions	-
As at March 31, 2023	18,052
Accumulated amortisation	
As at April 01, 2022	10,178
Amortisations	3,615
As at March 31, 2023	13,793
Net carrying value as at March 31, 2023	4,259

5. Trade receivables

(Unsecured, considered good unless otherwise stated)		
Considered good		
- Related party	11,425	3,325
- Others	27,311	16,859
Unsecured, credit impaired		
- Others	-	11
	38,736	20,195
Less: Allowances for credit loss	-	(11)
Total	38,736	20,184

Trade receivables ageing schedule: As at March 31, 2023	Undisputed Trade Receivables – considered good	Undisputed Trade receivable – which have significant increase in credit risk or credit impaired	Disputed Trade receivables - considered good	Disputed Trade receivables – which have significant increase in credit risk or credit impaired
Current but not due	-	-	-	-
Outstanding for following periods from due date of payment				
Less than 6 months	37,631	-	-	-
6 months – 1 year	-	-	-	-
1-2 years	454	-	-	-
2-3 years	651	-	-	-
More than 3 years	-	-	-	-
	38,736	-	-	-
Less: Allowances for credit loss	-	-	-	-
Total	38,736	-	-	-

Trade receivables ageing schedule: As at March 31, 2022	Undisputed Trade Receivables – considered good	Undisputed Trade receivable – which have significant increase in credit risk or credit impaired	Disputed Trade receivables - considered good	Disputed Trade receivables – which have significant increase in credit risk or credit impaired
Current but not due	-	-	-	-
Outstanding for following periods from due date of payment				
Less than 6 Months	19,937	-	-	-
6 months – 1 year	-	-	-	-
1-2 years	247	11	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
	20,184	11	-	-
Less: Allowances for credit loss	-	(11)	-	-
Total	20,184	-	-	-

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Also no any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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6. Cash and cash equivalents*

	March 31, 2023	March 31, 2022
Balances with banks:		
- in current accounts	6,525	3,572
- in wallets	10,934	4,888
- deposits with original maturity of less than three months	25,562	25,000
Total	43,021	33,460

*Note: There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and previous year.

7. Other bank balances

	March 31, 2023	March 31, 2022
Deposits with original maturity of more than three months but less than 12 months	-	4,50,000
Deposits with original maturity of more than 12 months	-	562
Total	-	4,50,562

8. Other financial assets

	March 31, 2023	March 31, 2022
Current		
Unsecured, considered good		
Security deposit	969	1,250
Unsecured, considered doubtful		
Security deposit	1,150	-
	2,119	1,250
Less: Provision for doubtful deposit	(1,150)	-
	969	1,250
Other receivables	102	5
Unbilled revenue	34,011	7,678
	35,082	8,933
Non Current		
Unsecured, considered good		
Security deposit		
Related party	954	945
Others	8,104	1,590
Capital advances	450	-
	9,508	2,535
Total	44,590	11,468

9(a). Non-current tax assets

	March 31, 2023	March 31, 2022
Advance tax (Net of provisions: Nil (previous year: Nil))	12,470	5,551
Total	12,470	5,551

9(b). Current tax assets

	March 31, 2023	March 31, 2022
Advance tax (Net of provisions: Nil (previous year: Nil))	-	3,936
Total	-	3,936

10. Other assets

	March 31, 2023	March 31, 2022
Non current		
Prepaid expense	3,960	5,413
Total	3,960	5,413
Current		
Balance with government authorities	88,741	36,151
Prepaid expense	4,757	4,466
Interest accrued on fixed deposits	-	8,982
Advance to employees	5,744	2,777
Total	99,242	52,376

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11. Share capital

Authorised:

10,00,00,000 equity shares of INR 10 each (March 31, 2022: 10,00,00,000 equity shares of INR 10 each)

March 31, 2023 March 31, 2022

10,00,000 10,00,000

Issued, Subscribed and paid up:

Equity shares :

920,00,000 equity shares of INR 10 each, fully paid -up (March 31, 2022: 920,00,000 equity shares of INR 10 each, fully paid -up)

9,20,000 9,20,000

Total

9,20,000 9,20,000

a. Reconciliation of the share outstanding at the beginning and at the end of the year

Balance at the beginning of year

Issued during the year

Balance at the end of year

March 31, 2023		March 31, 2022	
Numbers	mount (in INR '000)	Numbers	mount (in INR'000)
9,20,00,000	9,20,000	9,20,00,000	9,20,000
-	-	-	-
9,20,00,000	9,20,000	9,20,00,000	9,20,000

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	March 31, 2023		March 31, 2022	
	Nos.	% of holding	Nos.	% of holding
Equity shares:				
Samvardhana Motherson Global Carriers Limited	4,60,00,000	50.00%	4,60,00,000	50.00%
Hamakyorex Co. Ltd. - Japan	4,60,00,000	50.00%	4,60,00,000	50.00%

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12. Other Equity**Reserves and surplus**

Retained earnings

Total reserves and surplus

March 31, 2023	March 31, 2022
(2,28,593)	(2,17,666)
(2,28,593)	(2,17,666)

(i) Retained earnings**Opening balance**

Loss during the year

Other comprehensive income for the year, net of tax

Closing balance

March 31, 2023	March 31, 2022
(2,17,666)	(1,69,546)
(11,023)	(48,212)
96	92
(2,28,593)	(2,17,666)

Retained earnings

Retained earnings represents cumulative profits/(losses) of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

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13(a). Lease liability

Lease liability
Total

March 31, 2023		March 31, 2022	
Current	Non Current	Current	Non Current
6,168	33,071	-	-
6,168	33,071	-	-

Company as a lessee

The Company has lease contracts for land & buildings and vehicles used in its operations. The lease terms is of 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases with lease terms of 12 months or less and leases of assets with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

Lease liabilities	March 31, 2023	March 31, 2022
At the beginning of the year	-	-
Additions during the year	40,780	-
Finance cost	1,272	-
Gross value at the end of the year	42,052	-
Payments made during the year	2,813	-
Net value at the end of the year	39,239	-
Classified as current	6,168	-
Classified as non-current	33,071	-

13(b). Employee benefit obligations

Gratuity
Compensated absences
Total

March 31, 2023		March 31, 2022	
Current	Non-current	Current	Non-current
320	3,699	366	3,587
3,861	-	2,119	-
4,181	3,699	2,484	3,587

The long term defined employee benefits and contribution schemes of the Company are as under:

A. Defined Benefit Schemes

Gratuity

Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The plan is unfunded.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present value of defined benefit obligation

Obligations at year beginning

Service Cost
Interest Cost

Amount recognised in profit or loss

Remeasurements

Actuarial (gain) / loss from change in financial assumption
Actuarial (gain) / loss from change in demographic assumption
Experience (gains)/losses

Amount recognised in other comprehensive income

Payment from plan:

Adjustment on transfer of employees
Benefit payments

Obligations at year end

For the year ended March 31, 2023	For the year ended March 31, 2022
3,953	2,598
1,281	927
287	176
5,521	3,701
(32)	(119)
-	-
(64)	28
(96)	(91)
(1,406)	344
-	-
4,019	3,953

(ii) Assets and liabilities recognized in the balance sheet

Present value of the defined benefit obligations

Fair value of the plan assets (the company has not made any investment in plan assets)

Amount recognized as liability

For the year ended March 31, 2023	For the year ended March 31, 2022
4,019	3,953
-	-
4,019	3,953

(iii) Defined benefit obligations cost for the year/period:

Service Cost - Current
Interest Cost (net)
Actuarial (gain) / loss
Net defined benefit obligations cost

For the year ended March 31, 2023	For the year ended March 31, 2022
1,281	927
287	176
(96)	(91)
1,473	1,012

(iv) Actuarial assumptions:

Discount Rate per annum
Future salary increases

March 31, 2023	March 31, 2022
7.39%	7.26%
8.00%	8.00%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

v) Sensitivity Analysis

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

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022
Discount Rate per annum	0.50%	0.50%	Decrease by	(131)	(116)	Increase by	138	122
Future salary increases	0.50%	0.50%	Increase by	137	120	Decrease by	(131)	(116)

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

vi) Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(a) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

vii) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 4.70 years

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2023					
Defined benefit obligation (gratuity)	320	46	205	3,448	4,019
March 31, 2022					
Defined benefit obligation (gratuity)	366	393	960	2,235	3,954

B. Defined contribution schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident fund and employee state insurance for the benefit of the employees. Amount recognised in the Statement of profit & loss is as follows:

Employee state insurance
Provident fund
Total

For the year ended March 31, 2023	For the year ended March 31, 2022
848	505
5,022	3,089
5,870	3,594

14(a). Trade payables

	March 31, 2023	March 31, 2022
Total outstanding dues of micro and small enterprises	10,218	-
Total outstanding dues of creditors other than micro and small enterprises	16,029	17,346
Total	26,247	17,346

Trade payable ageing schedule:
As at March 31, 2023

	Total outstanding dues of micro enterprises and small enterprises	Total outstanding dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises
Current but not due	-	13,697	-	-
Outstanding for following periods from due date of payment				
Less than 6 months	10,218	2,292	-	-
6 months – 1 year	-	1	-	-
1-2 years	-	16	-	-
2-3 years	-	23	-	-
More than 3 years	-	-	-	-
Total	10,218	16,029	-	-

Trade payable ageing schedule:
As at March 31, 2022

	Total outstanding dues of micro enterprises and small enterprises	Total outstanding dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises
Current but not due	-	10,161	-	-
Outstanding for following periods from due date of payment				
Less than 6 months	-	6,806	-	-
6 months – 1 year	-	109	-	-
1-2 years	-	270	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	17,346	-	-

14(b). Other financial liabilities

	March 31, 2023	March 31, 2022
Payable for capital assets	2,780	-
Total	2,780	-

15. Other current liabilities

	March 31, 2023	March 31, 2022
Statutory dues	2,492	1,573
Total	2,492	1,573

16. Revenue from contracts with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from logistics service	4,05,877	1,89,493
Management consultancy income	10,350	8,454
Total revenue from contracts with customers (Refer note 27)	4,16,227	1,97,947

a. Timing of revenue from contracts with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
Services transferred over the time	4,16,227	1,97,947
Services transferred at point in time	-	-
	4,16,227	1,97,947

b. Contract balances

	For the year ended March 31, 2023	For the year ended March 31, 2022
Receivables (Unconditional right to consideration)	38,736	20,184
Contract assets (Refer note (i) below)	34,011	7,678

Note:

(i). The contract assets primarily relate to the Company's rights to consideration for services rendered but not billed at the reporting date. The contract assets are transferred to the receivables when the rights become unconditional.

17. Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from bank deposits	15,063	20,577
Interest income from security deposits	313	113
Interest on Income Tax Refund	622	4
Total	15,998	20,694

18. Employee benefit expense*

Salary, wages & bonus
Gratuity expense (Refer Note 13(b))
Contribution to provident fund & other fund (Refer Note 13(b))
Staff welfare expense

For the year ended	For the year ended
March 31, 2023	March 31, 2022
70,473	51,504
1,569	1,103
5,870	3,594
11,163	7,674
89,075	63,875

* The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Company believes the impact of the change will not be significant.

19. Finance cost

Interest on lease liabilities

For the year ended	For the year ended
March 31, 2023	March 31, 2022
1,272	-
1,272	-

20. Depreciation and amortisation expense

Depreciation on property, plant and equipment
Amortisation of right of use assets
Amortization of intangible assets

For the year ended	For the year ended
March 31, 2023	March 31, 2022
38,078	22,715
2,492	-
3,615	3,671
44,185	26,386

21. Other expense:

Fuel charges
Toll charges and state tax
Trip expenses
Rent charges
Legal and professional expense
IT and software expense
Business promotion expense
Travelling and conveyance expenses
Repair and maintenance expense
Vehicle insurance charges
Security expenses
Rates & taxes
Audit fee (Refer Note (a) below)
Office expenses
Electricity & power cost
Provision for doubtful deposits
Allowances for credit loss
Other miscellaneous expenses
Total

For the year ended	For the year ended
March 31, 2023	March 31, 2022
1,51,616	83,145
66,581	35,035
30,239	18,686
21,480	17,219
3,010	2,622
6,867	4,667
412	30
2,757	867
13,093	5,689
4,525	4,391
1,375	1,338
107	98
710	650
1,939	215
651	673
1,150	-
-	11
2,204	1,256
3,08,716	1,76,592

(a): Payment to auditors:**As Auditor:**

Audit fee
Tax audit fee

For the year ended	For the year ended
March 31, 2023	March 31, 2022
660	600
50	50
710	650

Total

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22. Earnings per share**a) Basic**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit/(loss) after tax available for equity shareholders	(11,023)	(48,212)
Weighted average number of equity shares used to compute basic earnings per share	92,000	92,000
Basic earnings per share	(0.12)	(0.52)

b) Diluted (Refer note (i) below)

Net profit/(loss) after tax available for equity shareholders	(11,023)	(48,212)
Weighted average number of equity shares	92,000	92,000
Diluted earnings per share	(0.12)	(0.52)

(i) The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

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23. Fair value measurements**Financial instruments by category**

	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Trade receivables	-	-	38,736	-	-	20,184
Cash and cash equivalents	-	-	43,021	-	-	33,460
Other bank balances	-	-	-	-	-	4,50,562
Other financial assets	-	-	44,590	-	-	11,468
Total financial assets	-	-	1,26,347	-	-	5,15,674
Financial liabilities						
Trade payables	-	-	26,247	-	-	17,346
Lease liabilities	-	-	39,239	-	-	-
Other financial liabilities	-	-	2,780	-	-	-
Total financial liabilities	-	-	68,265	-	-	17,346

i. Fair value hierarchy

Non-current assets and liabilities which are measured at amortised cost for which fair values are disclosed

	March 31, 2023			March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	9,058	-	-	2,535
Total financial assets	-	-	9,058	-	-	2,535
Financial liabilities						
Lease liabilities	-	-	33,071	-	-	-
Total financial liabilities	-	-	33,071	-	-	-

The carrying amounts of trade receivables, cash and bank balances, loans, borrowings, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Fair value of non current financial assets and liabilities measured at amortised cost

	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	9,058	9,058	2,535	2,535
	9,058	9,058	2,535	2,535
Financial liabilities				
Lease liabilities	33,071	33,071	-	-
	33,071	33,071	-	-

Note: The fair value of financial assets carried at amortized cost is calculated using discounted cash flow method

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24. Financial risk management

The Company is engaged in providing logistic services to OEMs for transportation of finished vehicles. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

Market risk:

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market price/rate. Market risk comprises: Price risk, Foreign currency risk, Interest rate risk, Credit risk and Liquidity risk.

A. Price risk:

Fluctuation in Fuel prices in global market affects directly and indirectly the price of fuel used by the Company.

One of the key component of direct cost of the Company is fuel. The Fuel price is governed by the state Government which varies from state to state. If there are substantial fluctuations in the price of fuel in a any particular state, the Company can mitigate risk through optimising their buying other states where rates are cheaper.

B. Foreign currency risk:

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

The Company does not have any derivative instruments outstanding at the end of reporting periods and further there is no unhedged foreign currency exposure as at year ended March 31, 2023 and previous year ended March 31, 2022.

C. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company had no long term borrowings with variable rates as well as fixed rates during March 31, 2023 and March 31, 2022

D. Credit risk:

The 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 towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers. Clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. The Company has deposited liquid funds at various institutions. Primary institutions are major Indian banks. In long term credit ratings these institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits.

E. 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 assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The company has sufficient capital in their books which is kept in form of short term fixed deposits that can be utilised to mitigate the any short term liquidity risk.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

Year ended March 31, 2023	Upto 1 year	1 to 5 years	More than 5 years	Total
Trade payables	26,247	-	-	26,247
Lease liabilities	6,168	33,071	-	39,239
Other financial liabilities	2,780	-	-	2,780
Total non-derivative liabilities	35,195	33,071	-	68,265
Year Ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
Trade payables	17,346	-	-	17,346
Total non-derivative liabilities	17,346	-	-	17,346

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25. Capital management

Risk management

The Company’s objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net debt to Total equity ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by Total equity.

The Company’s strategy is to ensure that the Net debt to Total equity is managed at an optimal level considering the above factors.

The Net debt to Total equity ratios were as follows:

	March 31, 2023	March 31, 2022
Net debt *	-	-
Total equity	6,91,407	7,02,334
Net debt to total equity	-	-

* Note: As of March 31, 2023, the Company does not have net debt (total borrowings net of cash and cash equivalents).

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26.a. Related Party Disclosures

Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

a) Promoters / Entities having control over the entity	Samvardhana Motherson Global Carriers Ltd Samvardhana Motherson International Limited [SAMIL] (earlier known as "Motherson Sumi Systems Limited" (MSSL))
b) Other Promoter Group Entities	Motherson Auto Limited Motherson Lease Solutions Limited Spirited Auto Cars (I) Limited Spirited Motor Vehicles Limited
c) Entity having significant influence over the entity	Hamakyorex Co. Ltd.- Japan
d) Subsidiary, Associates and Joint ventures of Samvardhana Motherson International Limited	Motherson Consultancies Service Limited. Anest Iwata Motherson Coating Equipment Private Limited Motherson Technology Services Limited (earlier known as Motherson Sumi Infotech & Designs) Motherson Air Travel Agencies Limited
Board of Directors	Mr. Sanjay Mehta Mr Vivek Avasthi Hiroyasu Yamazaki (upto 19th June'22) Tsuyoshi Yamaoka Yoshiyuki Takeuchi (w.e.f 20th June'22)
Other key management personnel	Mr. Nitin Sharma, COO and Manager (w.e.f. August 1, 2022) Mr. Arjun Kochhar, COO (resigned w.e.f July 31, 2022) Mr. Gaurav Pahwa, CFO Ms. Divya Rastogi, CS

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26.b. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 26(a) above:

(i) Transactions with related parties

Sr. No	Particulars	Entity having control over the entity		Entity having significant influence over the entity		Key Managerial Personnel		Other Promoter Group Entities		Fellow Subsidiary, Associates and JVs	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Sales of Service	10,350	8,454	-	-	-	-	-	-	11	-
2	IT Manpower and software cost	5,695	3,149	-	-	-	-	-	-	1,554	1,472
3	Travelling Expenses	-	-	-	-	-	-	-	-	2,270	719
4	Legal Professional Charges	2,000	1,578	-	-	-	-	-	-	27	77
5	Other Expenses	-	-	-	-	-	-	1,089	615	21	267
6	Rent Paid	1,269	451	-	-	-	-	2,569	1,847	502	502
7	Reimbursement of Expenses paid	8	1	-	-	-	-	-	72	-	-
8	Purchase of Fixed Assets	-	-	-	-	-	-	1,12,800	-	571	301
9	Security Deposit Paid	-	-	-	-	-	-	534	510	-	-
10	Remuneration Paid	-	-	-	-	9,100	11,752	-	-	-	-

(ii) Outstanding balances arising from sales / purchases of goods and services

Sr. No	Particulars	Entity having control over the entity		Entity having significant influence over the entity		Key Managerial Personnel		Other Promoter Group Entities		Fellow Subsidiary, Associates and JVs	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Security deposits	-	-	-	-	-	-	1,479	945	-	-
2	Trade payables	6,926	1,614	-	-	-	-	54	147	300	1,598
3	Trade receivables	11,425	3,325	247	247	-	-	-	-	-	-

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27. Segment Information:**Description of segments and principal activities**

The Company is primarily in the business of providing logistic services by all means of transportation by land, sea, rail, inland waterways, air and multimodal transport etc. including services for management of warehouses & logistics and related services.

Operating segments are reported in a manner consistent with the internal reporting to the board of directors (BOD) of the Company. The BOD is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and BOD reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

Information about geographical areas:

The following information discloses revenue from external customers based on geographical areas:

(i). Revenue from external customers

	March 31, 2023	March 31, 2022
India	4,16,227	1,97,947
Outside India	-	-
	4,16,227	1,97,947

(ii). Segment assets

Total of non-current assets other than financial instruments, non current tax assets and deferred tax assets broken down by location of the assets, is shown below:

	March 31, 2023	March 31, 2022
India	4,92,389	1,49,787
Outside India	-	-
	4,92,389	1,49,787

(iii). Revenues from transactions with a single external customer amounting to 10 percent or more of the Company's revenues is as follows :

	March 31, 2023	March 31, 2022
Customer 1	2,13,428	83,066
Customer 2	1,16,592	58,607
Customer 3	57,110	22,130
	3,87,130	1,63,803

28. Reconciliation of tax expense and the accounting profit multiplied by india's tax rate

Particulars	March 31, 2023	March 31, 2022
Profit before income tax expense	(11,023)	(48,212)
Tax at India's tax rate of 26%		
Computed tax expense / (income)*	(2,866)	(12,535)
Income tax expense	-	-

*Note: Considering history of losses, no deferred tax asset has been recognized.

29. Due to micro, small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10,218	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

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30. Accounting for taxes on income

Components of deferred tax assets/liabilities are:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset		
On unabsorbed depreciation	39,105	26,122
On unabsorbed business losses	37,326	37,326
Other timing differences	2,567	1,579
Deferred tax liabilities		
Property, plant & equipment & intangibles (WDV)	(24,596)	(13,098)
Net deferred tax asset	54,402	51,929

In view of significant carry forward income tax losses (business & depreciation) and there being no reasonable certainty of significant profit in the near future, net deferred tax asset as at March 31, 2023 has not been recognised in the books of accounts.

31 The Company's operations were impacted partially in the previous year by the outbreak of COVID-19 pandemic and therefore the figures presented for the current and previous year are not strictly comparable.

32 Other statutory information:

- (i) The company do not have any Benami Property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
- (ii) The company do not have any transactions with companies struck off.
- (iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the income tax Act,1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

33 Ratio Analysis and its elements

	For the year ended			Note Reference
	March 31, 2023	March 31, 2022	% Change	
Current ratios	5.16	26.61	-81%	(a)
Debt- equity ratio	0.06	Refer note (b)	Refer note (b)	(b)
Debt service coverage ratio	5.58	Refer note (c)	Refer note (c)	(c)
Return on equity ratio	-0.02	-0.07	-76%	(d)
Inventory Turnover ratio	Refer note (e)	Refer note (e)	Refer note (e)	(e)
Trade Receivable Turnover ratio	14.13	6.39	121%	(f)
Trade Payable Turnover ratio	14.16	8.49	67%	(g)
Net Capital Turnover ratio	1.15	0.36	224%	(h)
Net Profit ratio	(0.03)	(0.24)	-89%	(i)
Return on Capital Employed	(0.01)	(0.03)	-55%	(j)
Return on investment	Refer note (k)	Refer note (k)	Refer note (k)	(k)

(a) Current ratios

Current Assets

Current Liabilities

Utilisation of cash and bank balances for purchase of property plant and equipments in current year.

(b) Debt- Equity ratio

Total Debt (Long term borrowing, short term borrowing and lease liabilities as per Ind AS

Total equity

Lease liability has been recognised in current year

Profit for the year + finance cost + non cash operating expense (depreciation ,amortisation expense

(c) Debt Service Coverage ratio

Current maturities of long term borrowing, interest expense and lease payment

Lease liability has been recognised in current year

(d) Return on Equity ratio

Profit/(Loss) for the year

Average total equity

There has been increase in operations of the Company in current year.

(e) Inventory Turnover ratio

Since there is no inventory as at current and previous year end, hence this ratio is not applicable.

(f) Trade Receivable Turnover ratio

Revenue from contracts with customers (excluding other operating revenue)

Average trade receivables

There has been increase in operations of the Company in current year.

(g) Trade payable turnover ratio

Purchase of services (other expenses)

Average trade payable

There has been increase in operations of the Company in current year.

(h) Net Capital Turnover ratio

Revenue from contract with customers (excluding other operating revenue)

Average working capital

There has been increase in operations of the Company in current year.

(i) Net Profit ratio

Profit for the year

Revenue from contracts with customers (excluding other operating revenue)

There has been increase in operations of the Company in current year.

(j) Return on Capital Employed

Earnings before interest and taxes

Average capital employed

There has been increase in operations of the Company in current year.

(k) Return on investment

Since there is no investment as at current and previous year end, hence this ratio is not applicable.

34 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company. Previous years figures have been regrouped / restated wherever necessary to conform with current years classification.

As per our report of even date

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

For and on behalf of the Board of Directors of

Samvardhana Motherson Hamakyorex Engineered Logistics Ltd.

Vivek Avasthi

Director (DIN. 00033876)

Sanjay Mehta

Director (DIN. 03215388)

per **Anil Mehta**

Partner

Membership No. 095812

Nitin Sharma

COO and Manager

Gaurav Pahwa

Chief Financial officer

Divya Rastogi

Company Secretary

Place: Noida

Place: Gurugram