



L N R ASSOCIATES

Chartered Accountants

10-50-19/3, 'SOUDAMANI',
Siripuram, Visakhapatnam – 530003.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Torquedrive Technologies Private Limited,
Hyderabad.

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in management report and chairman's statement but does not include the financial statements and our auditor's report thereon.

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

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





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

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to





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the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2023, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The company does not have any pending litigations which would impact its financial position as at March 31, 2023.
 - (ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.





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- (iv) (a) The Management of the Company has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the Company has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in the standalone financial statements,
- (a) No dividend was proposed, declared and paid in the previous year, by the Company.
(b) The Board of Directors of the Company have not proposed final dividend for the year.
- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company with effect from April 1, 2023, reporting on Audit Trail in pursuance of Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 is considered inapplicable for the current year.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For L N R Associates
Chartered Accountants
FRN 05381S

V. Raghuram

Raghuram Vedula

Partner

M.No. 242883

UDIN: 23242883BGZGQT3338



Place: Hyderabad

Date: 15/05/2023



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Annexure - A:

(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in our report of even date)

(i)

(a)

- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - B. The Company has maintained proper records showing full particulars of Intangible assets;
- (b) The management has carried out physical verification of assets in accordance with a designed programme. In our opinion the periodicity of the physical verification is reasonable. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have any immovable properties and hence reporting under clause (c) of paragraph 3(i) of the Order is not applicable.
- (d) The Company had not revalued any of its Property, Plant and Equipment (including right of use of assets) or intangible assets during the year.
- (e) To the best of our knowledge and information, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii)

- (a) The Company does not have any inventory and hence reporting under clause (a) of paragraph 3(ii) of the Order is not applicable.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions in excess of ₹ 5 Crores and hence reporting under this clause is not applicable.

(iii)

- (a) During the year the company had made investments in one subsidiary to the tune of ₹ 55 Lakhs. Apart from the said investment, the company had not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties.
- (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
- (c) Since the company had not granted any loans and advances in the nature of loans, reporting under clauses (c) to (f) of paragraph 3(iii) of the Order are considered inapplicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits to which provisions of Sections 73 to 76 and other relevant provisions of the Act and rules made thereunder are applicable.
- (vi) According to the information and explanations given to us and in our opinion, the maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Act is not applicable to the Company. Hence reporting under this is not applicable to the Company.





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(vii)

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there were no statutory dues referred to in clause (vii) (a) that have not been deposited as on March 31, 2023 on account of any dispute.

(viii) There were no transactions that were not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

- (a) According to the information and explanations given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (a) of paragraph 3(ix) of the Order is not applicable.
- (b) From the information furnished to us, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause (c) of paragraph 3(ix) of the Order is not applicable.
- (d) From a review of the Cash flows furnished by the company, we are of the opinion that the company had not utilized any funds raised on short term basis for long term purposes;
- (e) The company had not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) During the year the company had not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or Associate Companies.

(x)

- (a) The Company had not raised any money by way of Initial Public Offer or further Public Offer (including Debt Instruments).
- (b) During the year, the Company had made preferential allotment or private placement of 29,50,000 Equity Shares of ₹ 10 each (fully paid). According to the information and explanations given to us and based on our examination of the records of the Company, the requirements of Section 42 and Section 62 of the Act have been complied with and funds raised have been used for the purposes for which the funds were raised and the unused amounts were parked in Banks.

(xi)

- (a) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) The Auditors have not filed any report with the Central Government under sub-section (12) of section 143 of the Act, in form ADT - 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014.
- (c) From a review of the Secretarial Records, we observe that the company had not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.





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- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- (xiv) In our opinion and based on our examination, the Company does have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into Non-Cash transactions with Directors or persons connected with them.
- (xvi)
- (a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA.
- (b) Upon a review of the records of the company, we are of the opinion that the company had not conducted any Non-Banking Financial or Housing Finance activity.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The company does not have more than one CIC as part of the Group.
- (xvii) The company has incurred a cash loss of ₹ 8.90 Lakhs in the current financial year and a cash loss of ₹ 6.18 Lakhs in the immediately preceding financial year.
- (xviii) During the year there is no resignation of statutory auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of second proviso to sub-section (5) of section 135 of the Act are not yet applicable to the company. Accordingly reporting under this clause is not applicable.
- (xxi) The provisions of review of the reports of the respective auditors of companies under the group are not applicable to the Company.

For L N R Associates
Chartered Accountants
FRN 05381S

V. Raghuram Vedula
Raghuram Vedula
Partner
M.No. 242883
UDIN: 23242883BGZGQT3338



Place: Hyderabad
Date: 15/05/2023

**Annexure – B**

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

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

We have audited the internal financial controls over financial reporting of Torquedrive Technologies Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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





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regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L N R Associates
Chartered Accountants
FRN 05381S

Raghuram Vedula
Partner

M.No. 242883

UDIN: 23242883BGZGQT3338



Place: Visakhapatnam
Date: 15/05/2023

TORQUEDRIVE TECHNOLOGIES PRIVATE LIMITED

CIN: U29100TG2021PTC148083

Standalone Balance Sheet as at March 31,2023

Particulars	Note	As at 31-03-2023 Rs. In '000	As at 31-03-2022 Rs. In '000
I) ASSETS			
1 Non Current Assets			
Property, Plant and Equipment & Intangible Assets			
(a) Property, Plant and Equipment	1	622.04	122.70
(b) Capital Work In Progress	2		3,601.69
(c) Intangible assets	1	291.77	
Other Non Current Assets			
(d) Financial Assets			
(i) Investments	3	6,000.00	3,000.00
(ii) Other Financial Assets	4	10,000.00	7,500.00
(e) Deferred Tax Asset	11		4.23
		16,913.81	14,228.62
2 Current Assets			
(a) Inventories			
(b) Financial Assets			
(i) Cash and cash equivalents	5	2,574.57	1,060.62
(ii) Trade Receivables	6		
(iii) Others	7	955.84	155.84
(iv) Other Bank Balances			
(c) Current Tax Assets (Net)			
(d) Other Current Assets	8	25,981.75	847.48
		29,512.16	2,063.94
Total		46,425.97	16,292.55
II) EQUITY AND LIABILITIES			
A Equity			
(a) Equity Share Capital	9	46,410.00	16,910.00
(b) Other Equity	10	(1,986.11)	(655.12)
		44,423.89	16,254.89
B Non Current Liabilities			
(a) Deferred Tax Liabilities (Net)	11	75.96	
C Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade Payables	12	1,831.12	
(iii) Other Financial Liabilities	13	20.00	22.00
(b) Other Current Liabilities	14	75.00	15.67
		1,926.12	37.67
Total		46,425.97	16,292.55

The accompanying Notes form an integral part of Financial Statements

As per our Report of even date annexed

For LNR Associates
Chartered Accountants
FRN No. 05381S

R. Raghuram Vedula

Raghuram Vedula
Partner
M.No : 242883
UDIN : 23242883BGZGQT3338



On behalf of the board

M S Srinath

M S S Srinath
Director
DIN 00319175

Kavita Prasad

Kavita Prasad
Director
DIN : 00319292

Place : Visakhapatnam
Date : 15.05.2023

Place : Hyderabad
Date : 15.05.2023



TORQUEDRIVE TECHNOLOGIES PRIVATE LIMITED

CIN: U29100TG2021PTC148083

Standalone Statement of Profit & Loss for the period March 31, 2023

Particulars	Note	Period Ended 31-03-2023 Rs. In '000	Period Ended 31-03-2022 Rs. In '000
A Revenue			
Revenue from Operations			
Other Income	15	800.00	155.84
Total Revenue (A)		800.00	155.84
B Expenses			
Employee Benefits Expenses	16	219.42	159.88
Finance Costs	17	4.91	3.58
Depreciation and Amortisation Expenses	18	361.15	41.15
Other Expenses	19	1,465.34	610.57
Total Expenses (B)		2,050.81	815.18
C Profit/(loss) before Exceptional items and Tax (A-B)		(1,250.81)	(659.34)
D Exceptional Items - (Income)/Expense			
E Profit/(loss) before tax (C-D)		(1,250.81)	(659.34)
F Tax Expense			
- Current Tax			
- Deferred Tax (Asset)/Liability	25	80.19	(4.23)
- Income Tax & Wealth Tax relating to Previous Years			
G Profit for the period (E-F)		(1,331.00)	(655.12)
H Other Comprehensive Income (Net)			
I Total Other Comprehensive Income for the period (G-H)		(1,331.00)	(655.12)
J Earnings per Equity Share of Rs.10 each			
- Basic		(0.29)	(0.39)
- Diluted		(0.29)	(0.39)

The accompanying Notes form an integral part of Financial Statements

As per our Report of even date annexed

For LNR Associates

Chartered Accountants

FRN No. 05381S

V. Raghuram
Raghuram Vedula

Partner

M.No : 242883

UDIN : 2324p883B67GQT3338

Place : Visakhapatnam

Date : 15.05.2023



On behalf of the board

M S Srinath

M S Srinath

Director

DIN 00319175

Kavita Prasad

Kavita Prasad

Director

DIN : 00319292

Place : Hyderabad

Date : 15.05.2023



TORQUEDRIVE TECHNOLOGIES PRIVATE LIMITED

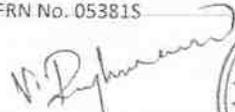
Cash Flow Statement for the period ended March 31, 2023

		Amt in '000	
		March 31, 2023	March 31, 2022
A	Cash flow from operating activities		
	Net profit before tax and exceptional items	(1,250.81)	(659.34)
	Exceptional items - income / (expenditure)		
	Other comprehensive income (net)	-	-
	Total comprehensive income before tax	(1,250.81)	(659.34)
	Adjustments for:		
	Depreciation	361.15	41.15
	Operating profit before working capital changes	(889.67)	(618.20)
	(Increase) / decrease in loans & advances *	(31,510.22)	(11,503.32)
	Increase/(decrease) in trade payables	1,831.12	-
	Increase/(decrease) in current liabilities	133.29	37.67
	Cash generated from operations	(30,435.48)	(12,083.85)
	Income tax paid net of refunds	-	-
	Income tax adjustment relating to previous years	-	-
	Net cash flow used in operating activities (A)	(30,435.48)	(12,083.85)
B	Cash flow from investing activities		
	Purchase of fixed assets		(3,765.54)
	Sale proceeds of fixed assets	2,449.43	
	Net Cash used investing activities (B)	2,449.43	(3,765.54)
C	Cash flow from financing activities		
	Increase in share capital	(29,500.00)	(16,910.00)
	Net cash in flow from financing activities (C)	(29,500.00)	(16,910.00)
D	Net increase in cash and cash equivalents (A+B-C)	1,513.96	1,060.62
	Cash and cash equivalents at beginning of the period	1,060.62	.00
	Cash and cash equivalents at end of the period	2,574.57	1,060.62
	Cash and cash equivalents		
	Cash on hand	.51	-
	Balances with banks in current account	2,574.06	1,060.62
	Total	2,574.57	1,060.62
Notes to the cash flow statement for the year ended 31-03-2023			
1 This statement is prepared as per Ind AS - 7 (indirect method).			
2 * Including bank balances other than cash and cash equivalents			
3 Previous year's figures were re-grouped wherever necessary.			

As per our report of even date annexed

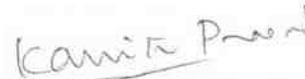
For LNR Associates
Chartered Accountants
FRN No. 05381S

On behalf of the board


Raghuram Vedula
Partner
M.No : 242883
UDIN : 23242883RGZGQT3338




M S S Srinath
Director
DIN : 00319175


Kavita Prasad Aluru
Director
DIN : 00319292

Place : Visakhapatnam
Date : 15.05.2023

Place : Hyderabad
Date : 15.05.2023



TORQUEDRIVE TECHNOLOGIES PRIVATE LIMITED
Statement of Changes in Equity for the period ended March 31, 2023

a) Share capital

	(Rs. in '000)	
	Current reporting period Mar 31, 2023 Rs.	Current reporting period March 31, 2022 Rs.
Balance at the beginning of the year	16,910.00	
Changes in equity share capital due to prior period errors		
Restated balance at the beginning of the current reporting period	29,500.00	
Changes in equity share capital during the current year		16,910.00
Balance at the end of the year	46,410.00	16,910.00

b) Other equity

Particulars	Share Application Money Pending Allotment	Capital reserve	Securities premium	Other reserves			Retained earnings	TOTAL Rs.
				Capital redemption reserve	Investment subsidy	General reserve		
Balance at the beginning of the current reporting period April 1, 2022								
Total comprehensive income							(655.12)	(655.12)
Interim Dividends (including tax)							(1,331.00)	(1,331.00)
Share Application Money pending allotment received during the year								
Balance at the end of the current reporting period Mar 31, 2023							(1,986.11)	(1,986.11)

As per our annexed report of even date annexed

For LNR Associates
 Chartered Accountants
 FRN No. 053815

N. Raghuram Vedula

Raghuram Vedula
 Partner
 M.No : 242883
 UDIN :

Place : Visakhapatnam
 Date : 15.05.2023

On behalf of the board

M S Srinath

M S Srinath
 Director
 DIN 00319175

Kavita Prasad

Kavita Prasad
 Director
 DIN : 00319292



TORQUEDRIVE TECHNOLOGIES PRIVATE LIMITED

Depreciation schedule as per Companies Act for the financial year 2022-23

Note : 1

Property, Plant and Equipment as on March 31, 2023

Description	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As On April 1, 2022	Additions	Adjustments/deletions	As On March 31, 2023	As On April 1, 2022	For the Period	As On March 31, 2023	As On March 31, 2022
TANGIBLE ASSETS :								
Furniture & fixtures	13.50	54.40		67.90	.09	5.00	5.10	13.41
Furniture & fixtures (Below Rs.5000/-)	39.00			39.00	39.00		39.00	
Computers	111.35	359.70		471.05	2.05	122.85	124.90	109.30
Testing Equipment		218.84		218.84		15.83	15.83	
Testing Equipment (Below Rs.5000/-)		10.36		10.36		10.36	10.36	
Office Equipment		12.29		12.29		2.20	2.20	
Total	163.85	655.58		819.43	41.14	156.24	197.39	122.70

INTANGIBLE ASSETS :

Softwares & Website		648.90	(221.92)	426.98		204.91	(69.70)	135.21	291.77
Less: Transferred to assets held for sale									
Net Total	163.85	1,304.48	(221.92)	1,246.41	41.14	361.15	(69.70)	332.59	122.70
Carrying value as at March 31, 2022		163.85		163.85		41.15	41.15	122.70	

Notes to Financial Statements for the period ended March 31, 2023

(Rs. In '000)

Trade receivable ageing schedule		Outstanding for following periods from due date of payment					(Rs. In '000)
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31.03.2023							
	Undisputed - considered good	-	-	-	-	-	-
	Undisputed-significant increase in credit risk	-	-	-	-	-	-
	Undisputed - credit impaired	-	-	-	-	-	-
	Disputed - considered good	-	-	-	-	-	-
	Disputed-significant increase in credit risk	-	-	-	-	-	-
	Disputed - credit impaired	-	-	-	-	-	-
	Unbilled revenue	-	-	-	-	-	-
As on 31.03.2022							
	Undisputed - considered good	-	-	-	-	-	-
	Undisputed-significant increase in credit risk	-	-	-	-	-	-
	Undisputed - credit impaired	-	-	-	-	-	-
	Disputed - considered good	-	-	-	-	-	-
	Disputed-significant increase in credit risk	-	-	-	-	-	-
	Disputed - credit impaired	-	-	-	-	-	-
	Unbilled revenue	-	-	-	-	-	-
		-	-	-	-	-	-
Note 7	Financial Assets Others						
	Accumulated Dividend arrears on Preference Shares Receivable					March 31, 2023	March 31, 2022
						955.84	155.84
	Total					955.84	155.84
Note 8	Other Current Assets					March 31, 2023	March 31, 2022
	Advance for Purchases and Others						607.60
	Due from holding Company					25,714.30	
	Other Advances					264.56	239.88
	TDS receivable						
	TDS 2022-23					2.89	
	Total					25,981.75	847.48
Note 9	Equity Share Capital					March 31, 2023	March 31, 2022
	Authorised						
	50,00,000 Equity shares of Rs.10 each					50,000.00	20,000.00
	(Previous Year 20,00,000 Equity shares of Rs.10 each)						
	Issued, Subscribed and fully paid-up						
	46,41,000 Equity shares of Rs.10 each					46,410.00	16,910.00
	(Previous Year 16,91,000 Equity shares of Rs.10 each)						
						46,410.00	16,910.00
Note 9.1	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period						
	Equity Shares	March 31, 2023		March 31, 2022			
		No. of Shares	Value Rs.	No. of Shares	Value Rs.		
	At the beginning of the period	16,91,000	16,910.00				
	Additions during the period	29,50,000	29,500.00	16,91,000	16,910.00		
	Deletions during the period						
	Outstanding at the end of the period	46,41,000	46,410.00	16,91,000	16,910.00		
	Term/rights attached to equity shares..						
	The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.						
Note 9.2	Details if shareholders holding more than 5% share in the Company						
	Name of the Shareholder	March 31, 2023		March 31, 2022			
		No. of Shares	Value Rs.	No. of Shares	Value Rs.		
	Equity shares of ₹10 each fully paid						
	HBL Power Systems Ltd (HBL)	46,41,000	46,410.00	16,91,000	16,910.00		
		46,41,000	46,410.00	16,91,000	16,910.00		

TORQUEDRIVE TECHNOLOGIES PRIVATE LIMITED
Notes to Financial Statements for the period ended Mar 31, 2023
(Rs. In '000)

Note:	15	Other Income	March 31, 2023	March 31, 2022
		Interest on Financial Asset (Preference Shares)	800.00	155.84
			800.00	155.84
Note	16	Employee Benefits Expenses	March 31, 2023	March 31, 2022
		Salaries, Wages & Bonus	200.00	159.68
		Staff Welfare Expenses	8.58	
		Leave encashment	10.84	
			219.42	159.88
Note	17	Finance Cost	March 31, 2023	March 31, 2022
		Bank Charges and Commission	4.91	3.58
			4.91	3.58
Note	18	Depreciation and Amortization expense	March 31, 2023	March 31, 2022
		Depreciation and Ammortization	156.24	41.15
		Depreciation and Ammortization on intangible assets	204.91	
			361.15	41.15
Note	19	Other Expenses	March 31, 2023	March 31, 2022
		Payment to Statutory Auditors	75.00	15.00
		Insurance to Vehicles		20.83
		Professional & Consultancy Charges	800.16	5.00
		Computer Maintenance		.93
		Maintenance Vehicle		20.34
		Maintenance - Others		1.53
		Maintenance - Office	7.24	
		Domain Registration & Cloud Charges		7.25
		Conveyance	94.11	22.18
		Printing & Stationery	22.27	4.40
		Lease Rent - Equipment	10.83	
		Postage & Courier	1.50	
		Traveling -Inland	30.53	
		Rates & Taxes	384.11	32.35
		Filing Fees	19.00	364.94
		Subcription		78.03
		Car Hire charges	20.00	
			1,465.34	572.77
		Preliminary/Incorporation Expenses		
		Preliminary / Incorporation Expenses		37.80
			80.19	37.80
		Total	1,545.52	610.57

20 Company overview

Torquedrive Technologies Private Limited ("TTL" or "The Company") is a Private limited company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana State, India. The financial statements were authorized for issuance by the Company's Board of Directors.

The Principal activities of the Company comprise setting up Manufacturing of Electric Vehicles including Buses, Trucks, Vans, Lorries etc. and refurbishment and upgradation of Old Vehicles (Buses, Trucks, Vans, Lorries etc) into Electrical vehicle. The Company is also engaged in sales of related services for electric vehicles.

21 Basis of preparation and measurement

21.1 Statement of compliance

The financial statements as at and for the year ended March 31, 2023 have been prepared in accordance with applicable Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

21.2 Accounting convention and basis of measurement

The financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and liabilities (refer accounting policy on financial instruments);
- ii) Provision for Warranties
- iii) Lease liability on Right of use assets

21.3 Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees.

21.4 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and the disclosure of Contingent Liabilities and Contingent Assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any affected future periods.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions in respect of the following areas, that have most significant effect to the carrying amounts within the next financial year are included in the relevant notes.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

- i) Useful lives of Property, Plant, Equipment and Intangibles.
- ii) Measurement and likelihood of occurrence of Provisions and Contingencies.
- iii) Recognition of Deferred Tax Assets/Liabilities.
- iv) Impairment of Intangibles
- v) Expenditure relating to Research and Development Activities.
- vi) Assessing the lease term (including anticipated renewals), non-cancellable period of a lease and the applicable discount rate in respect of assets taken on lease.

21.5 Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

22 Summary of significant accounting policies

22.1 Property, Plant and Equipment (PPE)

- i) Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses.
- ii) The cost of Property, Plant and Equipment includes those incurred directly for the construction or acquisition of the asset, and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes the present value of expected cost for dismantling / restoration wherever applicable.
- iii) The cost of major spares is recognized in the carrying amount of the item of Property, Plant and Equipment, in accordance with the recognition criteria set out in the Standard. The carrying amount of the replaced part is derecognized at the time of actual replacement. The costs of the day-to-day servicing of the item are recognized in statement of profit or loss as incurred.
- iv) Depreciation on Tangible Assets including those on leasehold premises is provided for under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and in the manner specified therein. Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase.
- v) Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted for as change in accounting estimate.
- vi) Each component / part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately only when it has a different useful life. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized.
- vii) Expenditure attributable /relating to PPE under construction / erection is accounted for as below:
 - A) To the extent directly identifiable to any specific plant / unit, Trial run expenditure net of revenue is included in the cost of Property, Plant and Equipment .

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

B) To the extent not directly identifiable to any specific Plant / Unit, is kept under 'Expenditure During Construction' for allocation to Property, Plant and Equipment and is grouped under 'Capital Work-in- Progress'.

22.2 Intangible Assets

- i) Intangible Asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- ii) New product development expenditure, software licences, technical knowhow fee, infrastructure and logistic facilities, etc. are recognised as Intangible Assets upon completion of development and commencement of commercial production.
- iii) Intangible assets are amortized on straight line method over their technically estimated useful lives.
- iv) Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

22.3 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- i) Assets taken under lease
- a) The Company recognises Right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset is measured in accordance with the measurement criteria as per Ind AS 116. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.
- b) The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability in accordance with the requirements under Ind AS 116.
- c) The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

ii) Assets given on lease

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

22.4 Investment in subsidiaries, associates and joint ventures

- i) Investments in subsidiaries, associate and joint ventures are measured at cost. Impairment / Diminution in value, other than temporary, is provided for.
- ii) Investments classified as 'Current Investments' are carried at cost and diminution / impairment with reference to market value is recognized.

22.5 Inventories are valued as under:

i)	Raw Materials, Components, Consumables and Stores & Spares.	At lower of weighted average cost and net realisable value.
ii)	Work In Progress and Finished goods.	At lower of net realisable value and weighted average cost of materials plus cost of conversion and other costs incurred in bringing them to the present location and condition.
iii)	Long Term contract work in progress (where the income it is not eligible for recognition as per Income recognition policy stated elsewhere).	At direct and attributable costs incurred in relation to such contracts.
iv)	Stock In Trade	At lower of cost and net realisable value
v)	Consumable Tools	At cost less amount charged off (which is at 1/3rd of value each year).
vi)	Services Work in Progress	Lower of Cost and net realisable value

22.6 Assets Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria are met:

- (i) decision has been made to sell.
- (ii) the assets are available for immediate sale in their present condition.
- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are neither depreciated nor amortised.

22.7 Revenue recognition

- i) Revenue from Contracts with Customers that meet the Recognition criteria under Paragraph 9 of Ind AS 115 are recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer, for the amount of the transaction price that is allocated to that performance obligation.
- ii) Satisfaction of a performance obligation and recognition of revenue over time is followed when, transfer of control of a good or service are made over time and, if one of the following criteria is met:
 - (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
 - (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
 - (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Performance obligations that are not satisfied over time are treated as performance obligations satisfied at a point in time which in case of goods are upon their despatch/delivery to domestic customers as per terms of sale and in case of services are upon completion of service.

- iii) Claims against outside agencies are accounted for on certainty of realization.
- iv) Interest income is recognized on an accrual basis using the effective interest rate (EIR) method. Dividends, are recognized at the time the right to receive is established.

22.8 Employee benefits

- i) **Short term benefits:**

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The cost of the benefits like salaries, wages, medical, leave travel assistance, short term compensated absences, bonus, exgratia, etc. is recognised as an expense in the period in which the employee renders the related service.
- ii) **Post-employment benefits:**
 - A) **Defined contribution plans:**

The contribution paid/payable under Provident Fund Scheme, ESI Scheme and Employee Pension Scheme is recognised as expenditure in the period in which the employee renders the related service.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

B) Defined benefit plans:

The Company's obligation towards Gratuity is a defined benefit plan. The present value of the estimated future cash flows of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit method. Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experienced adjustments within the plan are recognized immediately in Other Comprehensive Income and subsequently not reclassified to the Statement of Profit and Loss.

All Defined Benefit Plan obligations are determined based on Valuation as at the end of the reporting period, made by Independent Actuary using the Projected Unit Credit Method. The classification of the Company's net obligation into current and non-current is as per the Actuarial Valuation Report.

iii) Other long term employee benefits:

The obligation for other long term employee benefits such as long term compensated absences, is determined and recognised in the manner similar to that stated in the defined benefit plan.

22.9 Foreign currency transactions

- i) Transactions relating to non-monetary items and Purchase and Sale of goods/services denominated in foreign currency are recorded at the prevailing exchange rate or a rate that approximates to the actual rate on the date of transaction.
- ii) Assets & Liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at exchange rates prevailing at the end of the reporting period.
- iii) Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they occur.
- iv) Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted for at fair value through statement of profit or loss

22.10 Current tax and deferred tax

i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

ii) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profits differ from the profit as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted upto the end of the reporting period.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

iii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

iv) Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

22.11 Borrowing costs

- i) Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.
- ii) Other borrowing costs are treated as expense for the year.
- iii) Significant Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest rate (EIR) method.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

22.12 Financial Instruments (Financial Assets and Financial Liabilities):

- i) All financial instruments are recognized initially at fair value. The classification of financial Instruments depends on the objective of the business model for which it is held and the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. For the purpose of subsequent measurement, financial instruments of the Company are classified into (a) Non- Derivative Financial Instruments and (b) Derivative Financial Instruments.

- ii) **Non - Derivative financial instruments**
 - A) Security Deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current financial assets are classified as financial assets under this clause.
 - B) Loans and Borrowings, trade and other payables including deposits collected from various parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.
 - C) Financial Instruments are subsequently carried at amortized cost wherever applicable using Effective Interest Rate (EIR) method less impairment loss.
 - D) Transaction costs that are attributable to the financial instruments recognized at amortized cost are included in the fair value of such instruments.

- iii) **Derivative financial instruments**
 - A) Derivative Financial Assets and Liabilities are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date.
 - B) Changes in the fair value of any derivative Asset or Liability are recognized immediately in the Income Statement and are included in other income or expense.
 - C) Cash Flow Hedge: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

(iv) Financial Assets - Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of:

- (i) the Company's business model for managing the financial assets and
- (ii) the contractual cash flow characteristics of the financial asset.

Financial assets that are held within a business model whose objective is to hold financial assets with the intent to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the 'EIR' method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

(v) Impairment

i) Financial assets

A) The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Ø Financial assets that are debt instruments, and are measured at amortized cost wherever applicable for e.g., loans, debt securities, deposits, and bank balance.
- Ø Trade receivables

B) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii) Non - financial assets

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

22.13 Provisions

- i) Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made .
- ii) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- iv) Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

22.14 Earnings Per Share (EPS)

- i) Basic EPS is computed by dividing the profit after tax attributable to equity share holders by the weighted average number of Equity Shares outstanding during the year / period.
- ii) Diluted EPS is computed by dividing the profit after tax attributable to equity share holders, as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential Equity Shares, by the Weighted Average number of Equity Shares considered for deriving basic EPS and the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

Note : 23

Confirmation of balances

The Company had sent letters seeking confirmation of balances to various parties under trade payables, trade receivables, advance to suppliers and others and advance from customers. Based on the confirmations received and upon proper review, corrective actions have been initiated and the amounts have been trued up, accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties, comprising of government departments and public sector undertakings.

Note : 24

In the opinion of the Board, assets other than fixed assets and non-current investments have a value, on realisation in the ordinary course of business, which is at least equal to the amount at which they are stated in the financial statements.

Note : 25

Disclosures as prescribed by Indian Accounting Standard (Ind AS)

25.1 Disclosure as per Ind AS -12 - Income tax

a) The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:

Particulars	March 31, 2023	March 31,
Deferred tax asset		
Property, Plant and Equipment	(75.96)	(4.23)
Total	(75.96)	(4.23)
Deferred tax asset	(75.96)	(4.23)

b) The gross movement in the deferred income tax account is as follows:

Particulars	March 31, 2023	March 31, 2022
Net deferred tax asset at the beginning	(4.23)	
Credit / (charge) relating to temporary differences	80.19	(4.23)
Net deferred tax asset at the end	75.96	(4.23)

25.2 Disclosure as per Ind AS- 24 - Related party disclosures

1	Holding Company	HBL Power Systems Limited
2	Subsidiaries	TTL Electric Fuel Private Limited
3	Step Down Subsidiary of Subsidiary	None
4	Joint venture entity	None
5	Associate	None
6	Key Management Personnel	M S S Srinath Director Kavita Prasad Director

Disclosure of transactions with related parties and the status of outstanding balances.

Sl. No	Name	Nature of transaction	Transactions during the year	As on March, 2023		Ason March, 2022	
				Gross trade receivables (un-secured)	Gross trade payables	Gross trade receivables (un-secured)	Gross trade payables
1	Holding Company	Share Capital	29,500.00	25,714.30	1,245.10		
		Sale of goods	27,934.90				
		Purchase of goods	14,184.88				
2	Subsidiaries	Sale of Software	152.23				
		Purchase of goods	1,215.00				
		Acquisition of Equity Shares	3,000.00				
		Acquisition of Preference Shares	2,500.00				

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (TTL)

Directors / key management personnel interested companies as on 31st March, 2023

Sl No	Name	Designation	Directorship in other Companies	Percentage of Shareholding in other Companies
1	Directors			
1	Mr. MSS Srinath	Director	Naval Systems & Technologies Private Limited	Naval Systems & Technologies Private Limited (10%)
			Beaver Technologies Private Limited	Beaver Technologies Private Limited (21.71%)
			TTL Electric Fuel Private Limited	-
			Moebius Power Electronics Private Ltd (w.e.f.15.07.2022)	
			Uma Soil Sciences Private Limited - Struck off w.e.f.April 27,2023	Uma Soil Sciences Private Limited (50%)
2	Mrs. Kavita Prasad	Director	Beaver Technologies Private Limited	Beaver Technologies Private Limited (21.71%)
			TTL Electric Fuel Private Limited	-
			Uma Soil Sciences Private Limited - Struck off w.e.f.April 27,2023	Uma Soil Sciences Private Limited (50%)
			Moebius Power Electronics Private Ltd (w.e.f.15.07.2022)	
			HBL Tonbo Private Ltd (w.e.f.12.09.2022)	
			Naval Systems & Technologies Private Limited	
			HBL Power Systems Limited -	HBL Power Systems Limited (3.53%)

Note : 26 Capital commitments for ongoing projects

Total Purchase order pending as on 31 Mar 2023 Rs Nil against which advances paid is Rs Nil.

Note : 27 Relationship with Struck Off Companies

The company has attempted machine matching of the name of its active customers / vendors with the list of "Struck of Companies" hosted in the MCA website. Since no matches were found during this exercise there are no transactions/relationships to report.

Note : 28 Disclosure on Ratios

Sno	Ratio	Numerator	Denominator	Current reporting period Ratio	Previous reporting Ratio	Variation	Reasons
1	Current ratio	Current assets	Current liabilities	15.32	54.79	72%	Reduction due to increase in Current Liabilities
2	Debt equity ratio	Total Debt	Shareholder's equity	NA	NA		
3	DSCR	Earnings available for debt service \$	Debt service	NA	NA		
4	Return on equity	Net profit after tax	Average shareholder's equity	-0.03	-0.04	26%	Reduction is on account of increase in Equity Share Capital
5	Inventory turnover	Net sales	Average inventory	NA	NA		There is no Inventory, hence not reported.
6	Trade receivable turnover	Net sales	Average trade receivables	NA	NA		There is no Receivable, hence not reported.
7	Trade payable turnover	Purchases	Average trade payables	NA	NA		There are no Material Purchases, hence- not reported.
8	Net capital turnover	Net sales	Working capital	0.03	0.05	62%	Reduction due to increase in sales.
9	Net profit ratio	Net profit after tax	Net sales	-1.66	-4.20	60%	Reduction due to increase in Sales
10	Return on capital employed	Earning before interest and taxes	Capital employed *	-0.03	-0.03	10%	
11	Return on investment	Time weighted rate of return		Nil	Nil		
	Subsidiaries	0	0	Nil	Nil		
	Quoted investment	0	0	Nil	Nil		
	Unquoted investment	0	0	Nil	Nil		
5	Earnings available for debt service	Net profit after taxes + depreciation +					
6	Debt service	Interest and lease payments + principal					
*	Capital employed	Tangible net worth + total debt + deferred tax					

Note : 29 Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

Note : 30 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Similarly, the company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note : 31 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Note : 32 No Scheme of Arrangements have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Note : 33 The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

For LNR Associates
Chartered Accountants
FRN No. 053615
Raghuram Vedula
Raghuram Vedula
Partner
M.No : 242883
UDIN :



On behalf of the board

M S S Srinath
M S S Srinath
Director
DIN : 00319175

Kavita Prasad
Kavita Prasad
Director
DIN : 00319292

Place : Visakhapatnam
Date : 15.05.2023

Place : Hyderabad
Date : 15.05.2023

