IPR Eminox Technologies Private Limited
Balance Sheet as at March 31, 2024
(All amounts are in INR thousands, except share data and as stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,865.88	4,713.66
Capital work-in-progress	4A	-	1,600.00
Right-of-use assets	5	8,517.67	-
Intangible assets	6	4,632.65	5,858.09
Financial assets			
-Other financial assets	7	815.92	-
Deferred tax assets (net)	27	3,726.69	322.51
Other tax assets	8	114.21	-
Total non-current assets		**33,673.02**	**12,494.26**
Current assets			
Inventories	9	7,406.72	-
Financial assets			
-Trade receivables	10	5,273.80	5,411.20
-Cash and cash equivalents	11	6,877.66	3,465.82
Other current assets	12	9,314.40	4,454.31
Total current assets		**28,872.58**	**13,331.33**
Total assets		**62,545.60**	**25,825.59**
Equity and liabilities			
Equity			
Equity share capital	13	40,000.00	20,000.00
Other equity	14	(11,693.94)	(1,737.98)
Total equity		**28,306.06**	**18,262.02**
Liabilities			
Non-current liabilities			
Financial liabilities			
-Lease liabilities	5	5,274.81	-
Total non-current liabilities		**5,274.81**	-
Current liabilities			
Financial liabilities			
-Lease liabilities	5	3,521.36	-
-Trade payables	16		
total outstanding dues of micro enterprises and small enterprises;		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		16,359.82	2,997.81
-Other financial liabilities	17	5,891.29	2,214.69
Other current liabilities	18	3,192.26	2,351.07
Total current liabilities		**28,964.73**	**7,563.57**
Total liabilities		**34,239.54**	**7,563.57**
Total equity and liabilities		**62,545.60**	**25,825.59**
Material accounting policies	3		

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

T H Mahadevan
Partner
Membership No.: 224352

Place: Chennai
Date: May 24, 2024

for and on behalf of the board of directors of
IPR Eminox Technologies Private Limited
CIN No: U28999TN2021PTC148825

A Venkataramani
Director
DIN : 00277816

Place: Chennai
Date: May 24, 2024

R Janakiraman
Director
DIN : 10532598

Place: Chennai
Date: May 24, 2024

IPR Eminox Technologies Private Limited

Statement of profit and loss for the year ended March 31, 2024

(All amounts are in INR thousands, except share data and as stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	19	45,929.13	16,080.40
Other income	20	54.27	-
Total income		**45,983.40**	**16,080.40**
Expenses			
Cost of materials consumed	21	20,835.89	1,762.48
Changes in inventories of finished goods and work-in-progress	22	(4,219.43)	-
Employee benefits expense	23	17,026.29	6,400.38
Finance costs	24	719.62	-
Depreciation and amortisation expenses	25	6,740.33	1,690.25
Other expenses	26	18,240.84	7,801.24
Total expenses		**59,343.54**	**17,654.35**
Loss before tax		**(13,360.14)**	**(1,573.95)**
Tax expense			
-Current tax	27	-	-
-Deferred tax	27	3,404.18	210.38
Tax expense		**3,404.18**	**210.38**
Loss for the year		**(9,955.96)**	**(1,363.57)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income		**-**	**-**
Total comprehensive loss for the year		**(9,955.96)**	**(1,363.57)**
Earnings per equity share (Nominal value of share INR 10/-)	28		
Basic earnings per share (INR)		(3.56)	(0.82)
Diluted earnings per share (INR)		(3.56)	(0.82)
Material accounting policies	3		

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

T H Mahadevan
Partner
Membership No.: 224352

Place: Chennai
Date: May 24, 2024

for and on behalf of the board of directors of
IPR Eminox Technologies Private Limited
CIN No: U28999TN2021PTC148826

A Venkataramani
Director
DIN : 00277816

Place: Chennai
Date: May 24, 2024

R Janakiraman
Director
DIN : 10532598

Place: Chennai
Date: May 24, 2024

IPR Eminox Technologies Private Limited

Statement of changes in equity for the year ended March 31, 2024

(All amounts are in INR thousands, except share data and as stated)

a. Equity share capital

Balance as at April 01, 2023	**20,000.00**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2023	20,000.00
Changes in equity share capital during the year (refer note 13)	20,000.00
Balance as at March 31, 2024	**40,000.00**

Balance as at April 01, 2022	10,100.00
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2023	10,100.00
Changes in equity share capital during the year (refer note 13)	9,900.00
Balance as at March 31, 2023	**20,000.00**

b. Other equity

Particulars	**Reserves and Surplus**	
	Retained earnings	**Total**
Balance as at April 01, 2023	(1,737.98)	(1,737.98)
Total comprehensive loss for the year		
Loss for the year	(9,955.96)	(9,955.96)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(9,955.96)**	**(9,955.96)**
Balance as at March 31, 2024	**(11,693.94)**	**(11,693.94)**
Balance as at April 01, 2022	**(374.41)**	**(374.41)**
Total comprehensive loss for the year		
Loss for the year	(1,363.57)	(1,363.57)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(1,363.57)**	**(1,363.57)**
Balance as at March 31, 2023	**(1,737.98)**	**(1,737.98)**

Refer Note 14 for nature and purpose of reserves.

Material accounting policies (Note 3)

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

T H Mahadevan
Partner
Membership No.: 224352

Place: Chennai
Date: May 24, 2024

for and on behalf of the board of directors of
IPR Eminox Technologies Private Limited
CIN No: U28999TN2021PTC148825

A Venkataramani
Director
DIN : 00277816

Place: Chennai
Date: May 24, 2024

R Janakiraman
Director
DIN : 10532598

Place: Chennai
Date: May 24, 2024

IPR Eminox Technologies Private Limited

Statement of cash flows for the year ended March 31, 2024

(All amounts are in INR thousands, except share data and as stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities			
Loss for the year		(13,360.14)	(1,573.95)
Adjustments for:			
Depreciation and amortisation expense	25	6,740.33	1,690.25
Interest on Lease liabilities	24	719.62	-
Interest income	20	(54.27)	-
Unrealised foreign exchange difference	10	(76.51)	(32.60)
Operating cashflow before working capital changes		**(6,030.97)**	**83.70**
Working capital adjustments:			
(Increase) in inventories	9	(7,406.72)	-
(Increase)/Decrease in trade receivables	10	213.91	(4,773.06)
(Increase) in other current assets	12	(4,860.09)	(3,961.00)
(Increase) in other financial assets	7	(1,000.00)	-
Increase in trade payables	16	13,362.01	2,205.08
Increase /(Decrease) in other financial liabilities	17	4,278.20	(503.66)
Increase in other current liabilities	18	841.19	2,010.62
Cash used in operating activities		**(602.47)**	**(4,938.33)**
Income taxes paid		(114.21)	-
Net cash used in operating activities	(A)	**(716.68)**	**(4,938.33)**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	4	(12,829.48)	(11,595.42)
Net cash used in investing activities	(B)	**(12,829.48)**	**(11,595.42)**
Cash flows from financing activities			
Proceeds from issue of equity share capital	13	20,000.00	9,900.00
Payment of lease liabilities including interest	5	(3,042.00)	-
Net cash from financing activities	(C)	16,958.00	9,900.00
Net (decrease)/increase in cash and cash equivalents	(A)+(B)+(C)	**3,411.84**	**(6,633.75)**
Cash and cash equivalents at the beginning of the year		3,465.82	10,099.57
Cash and cash equivalents at the end of the year		**6,877.66**	**3,465.82**
		As at March 31, 2024	**As at March 31, 2023**
Closing cash and cash equivalents comprises:			
Balances with banks in current accounts	11	6,877.66	3,465.82
Cash and cash equivalents at the end of the year		**6,877.66**	**3,465.82**
Material accounting policies	3		

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

T H Mahadevan
Partner
Membership No.: 224352

Place: Chennai
Date: May 24, 2024

for and on behalf of the board of directors of
IPR Eminox Technologies Private Limited
CIN No: U28999TN2021PTC148876

A Venkataramani
Director
DIN : 00277816

Place: Chennai
Date: May 24, 2024

R Janakiraman
Director
DIN : 10532598

Place: Chennai
Date: May 24, 2024

1 Reporting entity

IPR Eminox Technologies Private Limited (the 'Company') was incorporated on December 21, 202[illegible] under the provisions of Companies Act, 2013 and the registered office of the Company is situated at New No 45, [illegible] Road, [illegible], Chennai, India. The Company is primarily engaged in the business of design and development of vehicle emissions systems for on-road and off-road applications. The Company is a Joint Venture Company (JVC) between IP Rings Limited, an Indian Company and Eminox Limited, a UK based Company.

2 Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company is a Small Company as defined under Section 2(85) of the Companies Act, 2013.

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements were authorised for issue by the Company's Board of Directors on May [illegible], 2024. Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in thousands including decimals thereof, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise indicated.

D. Use of estimates and judgments

In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements, assumptions and estimation uncertainties

The areas involving critical judgements and estimates are as under:

- Note [illegible] – recognition of deferred tax assets / liabilities: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

E. Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in note [illegible] – financial instruments.

3 Material accounting policies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

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

B. Financial instruments

i) *Recognition and initial measurement*

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

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

ii) *Classification and subsequent measurement*

Financial assets:

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI);
- fair value through profit and loss (FVTPL)

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both the following conditions and is not designated as FVTPL:
a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

3 Material accounting policies (continued)

B. Financial instruments (continued)

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

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

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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii) *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

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

iv) *Offsetting*

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

C. Property, plant and equipment

i. ***Recognition and initial measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

ii. ***Subsequent expenditure***

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3 **Material accounting policies (continued)**

C. **Property, plant and equipment (continued)**

iii. *Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment as adopted by the Company is given below:

Asset	Management estimate of useful life	Useful life as per Schedule II
Furniture and fixtures	10 years	10 years
Plant & Machinery	5-15 years	15 years
Office equipments	3-5 years	5 years
Electrical equipments	10 years	10 years
Computers and Servers	3-6 years	3-6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation, the management believes that its estimates of useful lives as given above best represents the period over which the management expects to use these assets.

Leasehold improvements are amortized on a straight line basis over the useful life of the asset or the remaining lease term whichever is lower.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for/ up to which the asset is ready for use/disposed off.

D. **Intangible assets**

i. ***Recognition and initial measurement***

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

iii. *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

Asset category	Management estimate of useful life
Software	3-5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

E. **Inventories**

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

The cost of raw materials are determined using weighted average method, and includes freight, taxes and duties, net of duty credits where applicable, and any other expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

In the case of finished goods, cost includes direct materials, labour and an appropriate share of production overheads based on normal operating capacity. Cost is determined using weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

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

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3 **Material accounting policies (continued)**

F. **Impairment**

i) ***Impairment of financial assets***

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

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

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the Balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

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

ii) ***Impairment of non-financial assets***

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

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

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5 Material accounting policies (continued)

G. Employee benefits

i) *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting 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.

ii) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii) **Compensated absences:**

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

iv) *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

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

H. Provisions (other than for employee benefits)

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

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3 Material accounting policies (continued)

L. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses their significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and the corresponding lease liabilities as a separate line item in the balance sheet.

Short-term leases and leases of low-value assets

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

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3 Material accounting policies (continued)

J. Revenue recognition

The Company earns revenue primarily from sale of goods and service of designing and development of vehicle emission systems for on-road and off-road applications. Arrangements with service customers are on a time-and-material basis.

Revenue from customer contracts are considered for recognition and measurement when the contract has been approved in writing by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price").

Revenue from time and material based contracts are recognised over the period of time as the related services are performed. Revenue from fixed price contracts are recognised over the period of time as per the input method (i.e. cost incurred to total costs estimated) is generally used and is considered as an appropriate measure to determine work in progress. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Contract balances:

(i) **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

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

K. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

L. Income tax

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

i. *Current tax*

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

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

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3 Material accounting policies (continued)

L. Income tax (continued)

ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
(i) is not a business combination; and
(ii) at the time of the transaction,
 (a) that affects neither accounting nor taxable profit or loss; and
 (b) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

M. Borrowing costs

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

N. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

O. Cash flows Statement

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

P. Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

Q. Earnings per share

i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:
a. the profit attributable to owners of the Company
b. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

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3A Changes in material accounting policies

a) Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from April 1, 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Company previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets as at April 1, 2023 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at April 1, 2023 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognised (See Note [illegible](ii)).

b) Material accounting policy information

The Company adopted *Disclosure of Accounting policies (Amendments to Ind AS 1)* from April 1, 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

3B Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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

4 Property, plant and equipment

See accounting policies in note 3(c)

Reconciliation of carrying amount

Particulars	Furniture and fixtures	Plant and equipment	Office equipments	Electrical equipments	Leasehold improvements	Computers and Servers	Total
Cost							
Balance as at April 01, 2022						729.92	729.92
Additions	2,100.44		177.49		-	2,485.27	4,761.20
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2023	**2,100.44**	**-**	**177.49**	**-**	**-**	**3,215.19**	**5,491.12**
Balance as at April 01, 2023	2,100.44	-	177.49	-	-	3,215.19	5,491.12
Additions	3,307.12	4,697.04	203.37	1,629.41	2,999.64	861.32	13,699.90
Disposals	-	-	-	-		-	-
Balance as at March 31, 2024	**5,407.56**	**4,697.04**	**380.86**	**1,629.41**	**2,999.64**	**4,076.51**	**19,191.02**
Accumulated depreciation							
Balance as at April 01, 2022	-	-	-	-		5.71	5.71
Depreciation	151.98	-	8.08	-	-	611.69	771.75
Disposals	-		-				
Balance as at March 31, 2023	**151.98**	**-**	**8.08**	**-**	**-**	**617.40**	**777.46**
Balance as at April 01, 2023	151.98	-	8.08	-	-	617.40	777.46
Depreciation	411.21	283.32	57.82	110.56	764.37	920.40	2,547.68
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2024	**563.19**	**283.32**	**65.90**	**110.56**	**764.37**	**1,537.80**	**3,325.14**
Carrying amounts							
At March 31, 2023	**1,948.46**	**-**	**169.41**	**-**	**-**	**2,597.79**	**4,713.66**
At March 31, 2024	**4,844.37**	**4,413.72**	**314.96**	**1,518.85**	**2,235.27**	**2,538.71**	**15,865.88**

4A Capital work-in-progress

The Company has incurred costs amounting to INR Nil (March 31, 2023: 1,600.00) in relation to setting up a manufacturing [illegible].

4A.1 Ageing of capital work-in-progress

(i) As at March 31, 2024

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
	Amount in capital work-in-progress for a period of				
Projects in progress	-	-	-		-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(ii) As at March 31, 2023

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
	Amount in capital work-in-progress for a period of				
Projects in progress	1,600.00	-	-	-	1,600.00
Projects temporarily suspended		-	-		-
Total	1,600.00	-	-	-	1,600.00

Notes

a) There are no projects/projects forming part of Capital work-in-progress where the completion is overdue or where the cost has exceeded compared to their original plans.

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(All amounts are in INR thousands, except share data and as stated)

5 Leases

(See accounting policy in Note [illegible])

The Company has taken the warehouse on lease. The facility were operational during the year. Information about leases for which the Company is a lessee is presented below.

A. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented property, plant and equipment.

	Warehouse	Total
Balance at April 1, 2023	-	-
Additions to right-of-use assets	11,356.89	11,356.89
Depreciation charge for the year	(2,839.22)	(2,839.22)
Balance at March 31, 2024	8,517.67	8,517.67

B. Lease liabilities

	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease liabilities	5,274.81	-
	5,274.81	-
Current		
Lease liabilities	3,521.56	-
	3,521.56	-
Maturity analysis		
Less than one year	4,209.19	-
One to five years	7,530.11	-
More than five years		

Terms and repayment schedule

The lease term is 3 years with an option to renew the lease after initial lease term. The Company has used the incremental borrowing rate of [illegible] p.a. for determining the lease liability.

	As at March 31, 2024	As at March 31, 2023
Reconciliation from opening balance to closing balance		
Opening balance as at		
Non cash changes		
New leases	11,118.89	-
Interest on lease liabilities	719.57	-
Derecognition due to termination / completion of lease term	-	-
Cash flows	-	-
Payment of lease liabilities	(3,042.09)	-
Closing balance as at	8,796.37	-

C. Amount recognised in Statement of profit or loss

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of right of use assets	2,839.22	-
Interest expense on lease liabilities	719.62	-
Expenses relating to short-term leases	2,199.21	-

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(All amounts are in INR thousands, except where stated otherwise)

6 Intangible assets
(See accounting policies in note 3(i))

Reconciliation of carrying amount

Particulars	Software	Total
Cost		
Balance as at April 1, 2022	209.32	209.32
Additions	6,569.40	6,569.40
Disposals	-	-
Balance as at March 31, 2023	**6,778.72**	**6,778.72**
Balance as at April 01, 2023	6,778.72	6,778.72
Additions	127.98	127.98
Deletions	-	-
Balance as at March 31, 2024	**6,906.70**	**6,906.70**
Accumulated amortization		
Balance as at April 1, 2022	2.14	2.14
Amortization for the year	918.49	918.49
Accumulated depreciation on disposals	-	-
Balance as at March 31, 2023	**920.63**	**920.63**
Balance as at April 01, 2023	**920.63**	**920.63**
Amortization for the year	1,353.42	1,353.42
Accumulated depreciation on disposals	-	-
Balance as at March 31, 2024	**2,274.05**	**2,274.05**
Carrying amounts		
As at March 31, 2023	5,858.09	5,858.09
As at March 31, 2024	4,632.65	4,632.65

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IPR Eninox Technologies Private Limited

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

(All amounts are in INR thousands, except share data and as stated)

	As at March 31, 2024	As at March 31, 2023
7 Other financial assets		
(See accounting policies in note 3(l))		
Unsecured, considered good		
Rental deposits	815.92	
	815.92	-
8 Other tax assets (net)		
Advance tax	114.21	-
	114.21	-
9 Inventories		
(See accounting policies in note 3(f))		
Raw materials	3,187.29	-
Work-in-progress	633.89	
Finished goods	3,285.54	-
	7,406.72	-
10 Trade receivables		
(See accounting policies in note 3(i) and 3(f))		
Trade receivables considered good - unsecured	5,273.80	5,111.20
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired		-
	5,273.80	5,111.20
Less: Loss allowance		-
Net trade receivables	5,273.80	5,111.20
Of the above, trade receivables from related parties are as below:		
Trade receivables due from related parties	2,920.72	5,189.20
Loss allowance	-	-
Net trade receivables	**2,920.72**	**5,189.20**

The Company's exposure to credit and currency risks, and loss allowances relating to trade receivables are disclosed in note 15.

Ageing of Trade receivables

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024							
Undisputed trade receivables							
considered good	4,105.15	1,168.65	-	-	-	-	5,273.80
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	**4,105.15**	**1,168.65**	-	-	-	-	**5,273.80**

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023							
Undisputed trade receivables							
considered good	5,411.20	-	-	-	-	-	5,411.20
which have significant increase in credit risk	-	-	-	-	-	-	
credit impaired	-	-		-	-	-	-
Total	**5,411.20**	-	-	-	-	-	**5,411.20**

	As at March 31, 2024	As at March 31, 2023
11 Cash and cash equivalents		
(See accounting policies in note 3(j))		
Balances with banks in current accounts	6,877.66	3,465.82
	6,877.66	**3,465.82**

(All amounts are in INR thousands, except share data and as stated)

	As at March 31, 2024	As at March 31, 2023
12 Other current assets		
Unsecured, considered good		
Balance with government authorities	8,583.52	3,955.81
Prepayments	457.05	498.50
Advance to vendors	73.83	-
	9,114.40	4,454.31
13 Equity share capital		
Authorized		
5,000,000 equity shares (March 31, 2023: 2,000,000 equity shares) of INR 10/- each	50,000.00	20,000.00
	50,000.00	20,000.00
Issued, Subscribed and Fully paid up		
4,000,000 equity shares (March 31, 2023: 2,000,000 equity shares) of INR 10/- each	40,000.00	20,000.00
	40,000.00	20,000.00

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	2,000,000	20,000.00	1,010,000	10,100.00
Add: Shares issued for cash	2,000,000	20,000.00	990,000	9,900.00
Outstanding at the end of the year	4,000,000	40,000.00	2,000,000	20,000.00

b. Rights, preferences and restrictions attached to equity shares

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

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

c. Shares held by promoters / holding company/ultimate holding company and / or their subsidiaries / associates

The Company does not have a holding company and promoters and hence the disclosure of shares held by them is not applicable.

d. Details of shareholders holding more than 5% of aggregate shares, of INR 10/- each fully paid up, in the Company

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of total equity shares	No. of shares	% of total equity shares
Equity shares of INR 10/- each fully paid up held by				
Eminox Limited	2,000,000	50%	1,000,000	50%
IP Rings Limited	2,000,000	50%	1,000,000	50%
	4,000,000	100%	2,000,000	100%

e. There are no bonus shares or buy back of shares or shares issued for consideration other than cash by the Company since its incorporation.

	As at March 31, 2024	As at March 31, 2023
14 Other equity		
A. Movement in Reserves and surplus		
Retained earnings		
Opening balance	(1,737.98)	(374.41)
Loss for the year	(9,355.96)	(1,363.57)
Closing balance	(11,093.94)	(1,737.98)

The above represents losses incurred by the Company. The surplus balance, if any, in retained earnings can be utilised for distribution of dividend by the Company considering the requirements of the Companies Act, 2013 and other local laws.

(All amounts are in INR thousands, except share data and unless stated)

15 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital so as to safeguard their ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor and creditor confidence.

The Company's net debt to adjusted equity ratio is as follows:

	As at March 31, 2024	As at March 31, 2023
Total liabilities	[illegible]	7,563.57
Less: cash and cash equivalents and other bank balances	[illegible]	(3,465.82)
Adjusted net debt	**27,361.58**	**4,097.75**
Total equity	28,306.06	18,262.02
Adjusted equity	**28,306.06**	**18,262.02**
Net debt to adjusted equity ratio	**0.97**	**0.22**

16 Trade payables

(See accounting policies in note [illegible])

Total outstanding dues of micro enterprises and small enterprises (refer note 39)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,359.82	2,997.81
	16,359.82	2,997.81

Of the above, trade payables amounts due to related parties are as below :

Trade payables due to related parties	7,917.38	2,518.89

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 32.

Ageing of trade payables

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payments as at March 31, 2024: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-			-
Others	1,123.99	1,298.41	12,643.27	[illegible]	-	-	16,359.82
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others	-		-	-	-	-	-
Total	**1,123.99**	**1,298.41**	**12,643.27**	**[illegible]**	**-**	**-**	**16,359.82**

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payments as at March 31, 2023: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	270.00	-	2,727.81	-	-	-	2,997.81
Disputed dues-MSME	-	-	-	-	-	-	-
Disputed dues-Others		-	-				-
Total	**270.00**	**-**	**2,727.81**	**-**	**-**	**-**	**2,997.81**

	As at March 31, 2024	As at March 31, 2023
17 Other financial liabilities		
(See accounting policies in Note 3.5)		
Liability for capital expenditure	241.88	843.48
Reimbursements payable	5,649.41	1,371.21
	5,891.29	2,214.69

18 Other current liabilities		
Statutory dues payable	474.61	1,487.65
Employee benefits payable	2,717.65	863.42
	3,192.26	2,351.07

IPR Eminox Technologies Private Limited
Notes to financial statements for the year ended March 31, 2024
(All amounts are in INR thousands, except share data and as stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
19	**Revenue from operations**		
	(See accounting policies in note [illegible])		
A	**Revenue from contracts with customers**		
	Sale of finished products	16,116.82	4,983.18
	Sale of services	29,812.31	11,098.22
		45,929.13	16,081.40
B	**Disaggregation of revenue from contracts with customers:**		
	Timing of revenue recognition		
	Products transferred at a point in time	16,116.82	4,983.18
	Services transferred over time	29,812.31	11,098.22
	Total revenue from contracts with customers	45,929.13	16,081.40

Contract balances
The following disclosure provide information about receivables, contract assets and liabilities from contract with customers (as applicable)

	As at March 31, 2024	As at March 31, 2023
Receivables, which are included in 'Trade receivables' (Refer note 7)	5,273.80	5,411.39

		For the year ended March 31, 2024	For the year ended March 31, 2023
20	**Other income**		
	Interest income under the effective interest method on:		
	Security deposits measured at amortised cost	54.27	-
		54.27	-
21	**Cost of materials consumed**		
	Inventory of raw materials at the beginning of the year	-	-
	Purchases during the year	24,023.18	1,762.48
	Less: Inventory of raw materials at end of year	(3,187.29)	-
		20,835.89	1,762.48
22	**Changes in inventories of finished goods and work-in-progress**		
	Inventory at the beginning of the year	-	
	-Finished goods	-	
	-Work-in-progress	-	-
	Inventory at the end of the year	4,219.43	
	-Finished goods	3,285.84	
	-Work-in-progress	933.59	
	Changes in inventories of finished goods	(3,285.84)	
	Changes in inventories of work-in-progress	(933.59)	-
		(4,219.43)	-
23	**Employee benefits expense**		
	(See accounting policies in note [illegible])		
	Salaries, wages and bonus	16,225.94	5,988.76
	Contribution to provident and other funds	480.56	400.50
	Staff welfare expenses	319.89	11.12
		17,026.39	6,400.38

IPR Eminox Technologies Private Limited
Notes to financial statements for the year ended March 31, 2024
(All amounts are in INR thousands, except share data unless stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
24	**Finance costs**		
	(See accounting policy in Note 3(l) and 3(k))		
	Interest expense on lease liabilities	719.63	-
		719.63	-
25	**Depreciation and amortization expenses**		
	(See accounting policies in note 3(C), 3(D) and 3(k))		
	Depreciation of property, plant and equipment (Refer note 4)	2,547.50	771.26
	Amortization of intangible assets (Refer note 6)	1,353.12	918.99
	Depreciation of right-of-use assets (Refer note 5)	2,839.71	-
		6,740.33	1,690.25
26	**Other expenses**		
	Power and fuel	379.28	
	Rent	3,189.21	1,710.60
	Repairs and Maintenance	562.65	155.86
	Rates and taxes	1,601.12	23.65
	Traveling and conveyance	2,355.42	1,310.41
	Legal and professional fees	4,415.82	2,872.58
	Payment to auditors (refer note below)	636.77	300.00
	Licenses	1,980.47	605.01
	Freight and forwarding charges	386.97	-
	Sub-contracting charges	1,491.57	-
	Consumables	820.52	-
	Security charges	555.67	-
	Net loss on foreign currency transactions	861.22	16.23
	Communication expenses	144.08	99.79
	Miscellaneous expenses	651.07	136.71
		18,240.84	**7,801.24**
26.1	**Payments to auditors, excluding taxes**		
	Statutory audit	600.00	280.00
	Reimbursement of expenses	36.77	20.00
	Total	**636.77**	**300.00**

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B S R & Co. LLP * Chartered Accountants *

(All amounts are in ₹ in thousands, except otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
27 Income tax		
A. Amount recognised in of profit or loss		
Current tax expense (A)		
Current year	-	-
Deferred tax expense (B)		
Attributable to-		
Origination and reversal of temporary differences	3,404.18	210.38
Tax benefit (A)+(B)	3,404.18	210.38

B. Reconciliation of effective tax rate

	For the year ended March 31, 2024		For the year ended March 31, 2023	
Loss before tax		(13,360.14)		(1,573.95)
Tax using the Company's domestic tax rate	25.17%	3,362.48	25.17%	396.13
Tax effect of:				
Non-deductible expenses	0.04%	5.66		-
Recognition of previously unrecognised tax losses	-	-	(1.66%)	18.32
Others	0.27%	36.04	[illegible]	(199.08)
Effective tax rate	25.48%	3,404.18	13.37%	210.38

C. Recognised deferred tax assets and liabilities

	As at March 31, 2024		
	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets
Property, plant and equipment and intangibles assets	-	(833.16)	(833.16)
Pre-operative expenses	68.21	-	68.21
Leases	115.08	-	115.08
Employee benefit provisions	176.18	-	176.18
Carry forward losses	4,200.38	-	4,200.38
Net deferred tax (assets) liabilities	4,559.85	(833.16)	3,726.69

	As at March 31, 2023		
	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets
Property, plant and equipment and intangible assets		(520.08)	(520.08)
Pre-operative expenses	102.32	-	102.32
Carry forward losses	740.27	-	740.27
Net deferred tax (assets) liabilities	842.59	(520.08)	322.51

D. Movement in temporary differences

	Balance as at March 31, 2023	Recognised in		Balance as at March 31, 2024
		Statement of profit and loss	OCI	
Property, plant and equipment and intangibles assets	(520.08)	(313.08)	-	(833.16)
Pre-operative expenses	102.32	(34.11)	-	68.21
Leases	-	115.08	-	115.08
Employee benefit provisions	-	176.18	-	176.18
Carry forward losses	740.27	3,460.11	-	4,200.38
	322.51	3,404.18	-	3,726.69

	Balance as at Mar 31, 2022	Recognised in		Balance as at March 31, 2023
		Statement of profit and loss	OCI	
Property, plant and equipment and intangibles assets	(41.36)	(478.72)		(520.08)
Pre-operative expenses	153.48	(51.16)	-	102.32
Carry forward losses	-	740.27		740.27
	112.12	210.39	-	322.51

IPR Entries Technologies Private Limited

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

(All amounts are in INR thousands, except share data and as stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
28 Earnings per share ("EPS")		
Loss attributable to the owners of the Company (INR)	(9,055.96)	([illegible])
Weighted average number of equity shares outstanding during the year* (Nos.)	2,784.52	[illegible]
Basic earnings per share (INR)	(3.56)	([illegible])
Diluted earnings per share (INR)	(3.56)	([illegible])
Nominal value of shares (INR)	10.00	10.00

* As at March 31, 2024 and March 31, 2023, there are no potential dilutive equity shares in the nature of [illegible] stock options, optionally convertible redeemable preference shares and compulsorily convertible preference shares.

29 Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the financial statements based on information received and available with the Company. Further, in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year; and	-	
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

30 Employee benefits

Defined contribution plan

An amount of INR [illegible] thousands (March 31, 2023: [illegible] thousands) has been recognised as an expense in respect of Company's contribution to the Employees' Provident Fund and other Fund deposited with the relevant authorities and has been charged to the Statement of Profit and Loss.

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(All amounts are in INR thousands, except share data and as stated)

31 Operating segments

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

The Company is engaged in only one business i.e. designing and development of vehicle emission systems. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these financial statements are reflective of the information required by the Ind AS 108.

Geographical information	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
India	17,891.82	1,952.18
Rest of the world - UK	28,037.31	14,098.22
Total	45,929.13	16,050.40

Major customer

Revenues of INR 42,021.[illegible] thousands (March 31, 2023 : INR 16,048.22 thousands) are derived from one major customer which individually constitutes more than 10% of total revenue.

Refer note 32(B) for credit risk exposure by geographic region.

32 Financial instruments - Fair value and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		As at March 31, 2024		
Financial assets not measured at fair value	**Note**	**FVTPL**	**FVOCI**	**Amortised cost**
Trade receivables	10	-	-	5,771.40
Cash and cash equivalents	11	-	-	6,877.66
Rental deposits	7	-	-	[illegible]
		-	-	12,967.38
Financial liabilities not measured at fair value				
Lease liabilities (non current)	5	-		[illegible]
Lease liabilities (current)	5	-	-	[illegible]
Trade payables	16	-		[illegible]
Other financial liabilities	17	-	-	[illegible]
		-	-	31,047.28

		As at March 31, 2023		
Financial assets not measured at fair value	**Note**	**FVTPL**	**FVOCI**	**Amortised cost**
Trade receivables	10	-	-	5,411.20
Cash and cash equivalents	11	-	-	3,465.82
		-	-	8,877.02
Financial liabilities not measured at fair value				
Trade payables	16	-		2,997.81
Other financial liabilities	17	-	-	2,214.69
		-		5,212.50

The Company has not disclosed fair values of financial instruments such as trade receivables, cash and cash equivalents, trade payables and other financial liabilities since their carrying amounts are reasonable approximates of fair values.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
a) credit risk (see (B)(ii));
b) liquidity risk (see (B)(iii));
c) market risk (see (B)(iv)).

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors along with the top management are responsible for developing and monitoring the Company's risk management policies. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

HPE Encinos Technologies Private Limited

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

(All amounts are in INR thousands, except where otherwise stated)

32 Financial instruments - Fair value and risk management (continued)

B. Financial risk management (continued)

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk are as follows:

	Note	As at March 31, 2024	As at March 31, 2023
Trade receivables	11	5,273.80	5,411.20
Cash and cash equivalents	12	6,877.66	3,465.82
Bank deposits	7	815.92	-
		12,967.38	**8,877.02**

Trade receivables

The Company's credit risk arising from trade receivables as at the reporting date is limited as the Company has carried out transactions predominantly with its related parties. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. Impairment on receivables from the related parties have been measured on lifetime expected credit loss basis, and the allowance for expected credit loss is immaterial.

Primary geographical markets

United Kingdom	2,907.38	5,189.20
India	2,366.42	222.00
Total	**5,273.80**	**5,411.20**

Cash and bank balances

The Company holds cash and cash equivalents with credit worthy banks as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will 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.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted including contractual interest.

As at March 31, 2024	Carrying amount	Payable within 1 year	More than 1 year	Total
Non-derivative financial liabilities				
Lease liabilities (refer note 5)	8,796.17	4,208.10	5,536.44	9,744.54
Trade payables (refer note 16)	16,359.82	16,359.82	-	16,359.82
Other financial liabilities (refer note 17)				
Payable towards purchase of property, plant and equipment and intangible assets	241.88	241.88	-	241.88
Reimbursements payable, net	5,649.41	5,649.41	-	5,649.41
	31,047.28	**26,459.21**	**5,536.44**	**31,995.65**

As at March 31, 2023	Carrying amount	Payable within 1 year	More than 1 year	Total
Non-derivative financial liabilities				
Trade payables (refer note 16)	2,997.81	2,997.81	-	2,997.81
Other financial liabilities (refer note 17)				
Payable towards purchase of property, plant and equipment and intangible assets	843.48	843.48		843.48
Reimbursements payable, net	1,371.21	1,371.21	-	1,371.21
	5,212.50	**5,212.50**	-	**5,212.50**

(All amounts are in INR thousands, except where otherwise stated)

32 Financial instruments - Fair value and risk management (continued)

B. Financial risk management (continued)

iv. Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk related to foreign exchange rate risk (currency risk).

Foreign Currency Risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of Company (INR). The currencies in which these transactions are primarily denominated are USD and GBP.

Exposure to currency risk

	31-Mar-24		31-Mar-23	
	GBP	USD	GBP	USD
Trade receivables	2,607.38		5,189.20	-
Trade payables	-	(57.42)	-	-
Net assets / (liabilities)	**2,607.38**	**(57.42)**	**5,189.20**	-

Sensitivity analysis

A reasonably possible strengthening / weakening of the INR against GBP and USD at the respective reporting period would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or (Loss)		Equity	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at March 31, 2024				
GBP (1% movement)	26.07	(26.07)	19.51	(19.51)
USD (1% movement)	(0.57)	0.57	(0.43)	0.43
As at March 31, 2023				
GBP (1% movement)	51.89	(51.89)	38.83	(38.83)
USD (1% movement)	-	-	-	-

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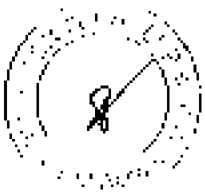

IPR Eminox Technologies Private Limited
Notes to financial statements for the year ended March 31, 2024
(All amounts are in INR thousands, except share data and as stated)

33 Financial ratios

Particulars	Numerator	Denominator	Year ended March 31, 2024	Year ended March 31, 2023	Variance	Remarks
Current ratio	Total current assets	Total current liabilities	1.00	1.7[illegible]	-36.83%	The decrease in current ratio is primarily attributable to the increase in the trade payables and lease liabilities
Debt-equity ratio	Total debt	Total equity	0.31	NA	100.00%	Lease liabilities recognised during the year
Debt service coverage ratio	Earning for debt service = Net Profit after taxes + Non cash operating expenses like depreciation and other amortization + Interest + other adjustments like loss on sale of fixed assets etc.	Debt Service = Interest and lease payments + Principal repayments	0.34	NA	100.00%	Lease liabilities recognised during the year
Return on equity ratio	Net profit after tax (without considering other comprehensive income)	Average total equity	-42.70%	-9.24%	77.[illegible]%	The Company has incurred net losses during the current and previous year. Reason for increase in loss is on account of higher fixed costs incurred in the current year
Inventory turnover ratio	Cost of goods sold	Average inventory	4.49	NA	[illegible]	Not applicable
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	8.61	5.35	37.82%	Increase is on account of increase in business operations
Trade payables turnover ratio	Gross credit purchase - Purchase returns	Average trade payables (including capital creditors)	2.48	6.63	62.55%	Increase is on account of increase in business operations
Net capital turnover ratio	Revenue from operations	Average working capital i.e. Total current assets less Total current liabilities	-[illegible]98.42	2.79	100.56%	Significant variance is on account of higher revenue and higher liabilities i.e. trade payables and lease liabilities in the current year
Net profit ratio	Net profit after tax	Total revenue from operations	-21.68%	-5.78%	50.88%	The Company has incurred net losses during the current and previous year. Reason for increase in loss is on account of higher fixed costs incurred in the current year
Return on capital employed ratio	Profit before tax and finance costs	Capital employed = Net worth + Total Debt + Deferred Tax Liability / (Asset)	-37.68%	-8.67%	77.10%	The Company has incurred net losses during the current and previous year. Reason for increase in loss is on account of higher fixed costs incurred in the current year

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(All amounts are in INR thousands, except share data and unless otherwise stated)

34 Related party disclosures

a. Names of related parties and nature of relationship are as follows:

Nature of relationship	Name of the related party
Key managerial personnel	[illegible] Ananthanarayanan [illegible] - Director [illegible] Meenakshi Sundaram - Director David John Wilkes - Director Mahesh Srinivasan - Chief executive officer (upto July 22, 2023) Venkataraman - Director (upto February 08, 2024) Mark Zimmerman Charles - Director (upto March 31, 2024)
Entities exercising significant influence or joint control of the Company	Embox Limited IP Rings Limited
Entities related to entities having significant influence or joint control of the Company	George Oakes Limited
Entity in which director of the Company is a KMP	IPL Share Solutions Private Limited

b. Details of related party transactions

	For the year ended March 31, 2024	For the year ended March 31, 2023
George Oakes Limited		
Rent expenses	[illegible]	1,710.00
Embox Limited		
Sale of services	28,[illegible]	[illegible]
Sale of goods	[illegible]	
Purchase of materials	1,441.67	-
IPL Share Solutions Private Limited		
Sale of goods	[illegible]	
IP Rings Limited		
Legal and professional fees	2,400.00	2,400.00
Sale of goods	-	[illegible]
Purchase of property, plant and equipment	11,673.48	
Reimbursement of expenses*	4,27[illegible]	1,371.21
Mahesh Srinivasan - Chief executive officer (upto July 22, 2023)		
Managerial Remuneration - Short-term employee benefits	[illegible]	[illegible]

c. Balances as at the year end

	As at March 31, 2024	As at March 31, 2023
George Oakes Limited		
Trade payable	[illegible]	1,8[illegible]
Embox Limited		
Trade receivables	2,[illegible]	[illegible]
Trade payables	1,441.67	-
IPL Share Solutions Private Limited		
Trade receivables	[illegible]	
IP Rings Limited		
Reimbursements payable, net	[illegible]	1,371.21
Trade Payables	[illegible]	[illegible]

* These are expenditure incurred in the course of the operation of the Company and are in the nature of rates and taxes, travel expenses etc.

35 Contingent liabilities and commitments

(a) There are no outstanding capital commitments or contingent liabilities as on March 31, 2024 (March 31, 2023: Nil).

(b) The Company does not have any pending litigations as on March 31, 2024 and March 31, 2023.

36 Other regulatory Information

(a) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

(b) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(c) The Company does not have any loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

(d) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami Property.

(e) The Company does not have any borrowings from banks or financial institutions that are secured against current assets.

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

(g) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(h) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(i) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(j) The Company has not entered into any scheme of arrangement as per sections 230 to 237 of the Companies Act, 2013 which has an impact on current or previous financial year.

(k) The Company has 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 persons 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.

(l) The Company has 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 Company 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.

(m) The Company does not have 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 assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

T H Mahadevan
Partner
Membership No.: 224352

Place: Chennai
Date: May 24, 2024

for and on behalf of the board of directors of
IPR Eminox Technologies Private Limited
CIN No: U28999TN2021PTC148825

A Venkataramani
Director
DIN : 00277816

Place: Chennai
Date: May 24, 2024

R Janakiraman
Director
DIN : 10532598

Place: Chennai
Date: May 24, 2024