

TML Smart City Mobility Solutions Limited
Financial Statements for year ended March 31, 2023
Along with Independent Auditors Report

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of TML Smart City Mobility Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TML Smart City Mobility Solutions Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period beginning from 25 May 2022 to 31 March 2023 ("the period"), and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (*Continued*)

TML Smart City Mobility Solutions Limited

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Auditor's Report (*Continued*)

TML Smart City Mobility Solutions Limited

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 21 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

TML Smart City Mobility Solutions Limited

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 21 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the period.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 05 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBM1913

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Smart City Mobility Solutions Limited for the period ended 31 March 2023

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

- (i) (a) (A) The Company does not have any Property, Plant and Equipment. Accordingly, clause 3(i)(a)(A) of the order is not applicable.
 - (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.
- (i) (b) The Company does not have any Property, Plant and Equipment including the Right of use assets. Accordingly, physical verification related to Property, Plant and Equipment including the right to use assets as per clause 3(i)(b) of the order is not applicable.
 - (c) The Company does not have any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable
 - (d) The Company does not have any Property, Plant and Equipment including the Right of use assets or intangible assets. Accordingly, clause 3(i)(d) of the order is not applicable.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company does not have any inventory. Accordingly, clause 3(ii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets however has not availed any working capital. Accordingly, clause (ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the period. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the period. Accordingly, provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the period are, prima facie, not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advance in the nature of loan to any party during the period. Accordingly, provisions of clause 3(iii)(c) of the Order are not applicable to the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans to any party. Accordingly, provisions of clause 3(iii)(d) of the Order are not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Smart City Mobility Solutions Limited for the period ended 31 March 2023 (Continued)

of the records of the Company, the Company has not granted any loans to any party. Accordingly, provisions of clause 3(iii)(e) of the Order are not applicable to the Company.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans to any party. Accordingly, provisions of clause 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the period since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Income-Tax, or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Income-Tax, or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the period. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the period. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Smart City Mobility Solutions Limited for the period ended 31 March 2023 (Continued)

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the period on the pledge of securities held in its subsidiary (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 6 CICs as part of the Group

Annexure A to the Independent Auditor's Report on the Financial Statements of TML Smart City Mobility Solutions Limited for the period ended 31 March 2023 (Continued)

- (xvii) The Company has incurred cash losses of Rs. 159.20 Lakhs in the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the period. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 05 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBM1913

Annexure B to the Independent Auditor's Report on the financial statements of TML Smart City Mobility Solutions Limited for the period ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of TML Smart City Mobility Solutions Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

Annexure B to the Independent Auditor's Report on the financial statements of TML Smart City Mobility Solutions Limited for the period ended 31 March 2023 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Kalpesh Khandelwal

Partner

Place: Pune

Date: 05 May 2023

Membership No.: 133124

ICAI UDIN:23133124BGYBBM1913

TML SMART CITY MOBILITY SOLUTIONS LIMITED
Balance Sheet

(₹ in lakhs)
As at March 31,
2023

	Notes	
I. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Financial assets :		
(i) Investment in subsidiary	3	10.00
(b) Other Non-current assets	4	151.11
		161.11
(2) CURRENT ASSETS		
(a) Financial assets :		
(ii) Cash and cash equivalents	5	7,684.70
(iii) Other financial assets	6	1.56
(b) Other Current assets	7	14.11
		7,700.37
TOTAL ASSETS		7,861.48
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	8	500.00
(b) Other equity		(159.20)
		340.80
LIABILITIES		
(1) NON CURRENT LIABILITIES		
(a) Other non-current liabilities	9	7,198.96
		7,198.96
(2) CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Trade payables	10	
(a) Total outstanding dues of micro and small enterprises		-
(b) Total outstanding dues of creditors other than micro and small enterprises		294.38
(b) Other current liabilities	11	27.34
		321.72
TOTAL EQUITY AND LIABILITIES		7,861.48

See accompanying notes to financial statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

KALPESH RAMESHCHANDR
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Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No.: 23133124BGYBBM1913

Place :- Pune
Date :- May 5, 2023

For and on behalf of the Board

RAJENDRA MAHADEO PETKAR
Digitally signed by RAJENDRA MAHADEO PETKAR
Date: 2023.05.05 20:11:04 +05'30'

Rajendra Mahadeo Petkar [DIN:01693629]
Chairman
Place : Pune

ASIM KUMAR MUKHOPADHYAY
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Date: 2023.05.05 19:48:27 +05'30'

Asim Kumar Mukhopadhyay [DIN:06520288]
Managing Director & Chief Executive Officer
Place : Mumbai

Date :- May 5, 2023

RAKESH LODHA
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Date: 2023.05.05 19:45:37 +05'30'

Rakesh Lodha
Chief Financial Officer & Company Secretary
Place : Mumbai

TML SMART CITY MOBILITY SOLUTIONS LIMITED

Statement of Profit and Loss

(₹ in lakhs)

Particulars	Notes	For the period from May 25, 2022 to March 31, 2023
I. Revenue		-
II. Other Income		-
III. Total Income (I+II)		-
IV. Expenses		
(a) Other expenses	12	159.20
Total Expenses (IV)		159.20
V. Loss before tax (III-IV)		(159.20)
VI. Tax expense/(credit) (net)		
(a) Current tax		-
(b) Deferred tax		-
Total tax expense/(credit)		-
VII. Loss for the period (V-VI)		(159.20)
VIII. Other comprehensive loss:		
Other comprehensive loss		-
IX. Total comprehensive Loss for the period (VII+VIII)		(159.20)
X. Loss per share (EPS)		
Basic (Nominal Value per share ₹10)	13 ₹	(3.18)

See accompanying notes to financial statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

KALPESH RAMESHCHANDRA KHANDELWAL
Digitally signed by KALPESH RAMESHCHANDRA KHANDELWAL
Date: 2023.05.05 20:44:03 +05'30'

Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No.: 23133124BGYBBM1913

Place :- Pune
Date :- May 5, 2023

For and on behalf of the Board

RAJENDRA MAHADEO PETKAR
Digitally signed by RAJENDRA MAHADEO PETKAR
Date: 2023.05.05 20:11:40 +05'30'

Rajendra Mahadeo Petkar [DIN:01693629]
Chairman
Place : Pune

ASIM KUMAR MUKHOPADHYA
Digitally signed by ASIM KUMAR MUKHOPADHYA
Date: 2023.05.05 19:50:32 +05'30'

Asim Kumar Mukhopadhyay [DIN:06520288]
Managing Director & Chief Executive Officer
Place : Mumbai

Date :- May 5, 2023

RAKESH LODHA
Digitally signed by RAKESH LODHA
Date: 2023.05.05 19:56:06 +05'30'

Rakesh Lodha
Chief Financial Officer & Company Secretary
Place : Mumbai

TML SMART CITY MOBILITY SOLUTIONS LIMITED
Cash Flow Statement

(₹ in lakhs)

**For the period from
May 25, 2022 to March
31, 2023**

Cash flows from operating activities:

Loss before tax (159.20)

Adjustments for:

Non cash items -

Cash flows from operating activities before changes in following assets and liabilities (159.20)

Other current and non-current assets (165.22)

Other Financial Assets (1.56)

Trade payables 294.38

Other liabilities 7,226.30

Cash generated from operations 7,194.70

Income tax refund/(paid) (net) -

Net cash from operating activities 7,194.70

Cash flows from investing activities:

Investment in subsidiary (10.00)

Net cash used in investing activities (10.00)

Cash flows from financing activities:

Proceeds from issuance of shares 500.00

Net cash from financing activities 500.00

Net (decrease) / increase in cash and cash equivalents 7,684.70

Cash and cash equivalents at the May 25, 2022 (Opening balance) -

Cash and cash equivalents at the end of the Period 7,684.70

See accompanying notes to financial statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

KALPESH RAMESHCHANDRA KHANDELWAL
Digitally signed by KALPESH RAMESHCHANDRA KHANDELWAL
Date: 2023.05.05 20:44:32 +05'30'

Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No.: 23133124BGYBBM1913

Place :- Pune

Date :- May 5, 2023

For and on behalf of the Board

RAJENDRA MAHADEO PETKAR
Digitally signed by RAJENDRA MAHADEO PETKAR
Date: 2023.05.05 20:12:12 +05'30'

Rajendra Mahadeo Petkar [DIN:01693629]

Chairman
Place : Pune

ASIM KUMAR MUKHOPADHYAY
Digitally signed by ASIM KUMAR MUKHOPADHYAY
Date: 2023.05.05 19:51:35 +05'30'

Asim Kumar Mukhopadhyay [DIN:06520288]

Managing Director & Chief Executive Officer
Place : Mumbai

Date :- May 5, 2023

RAKESH LODHA
Digitally signed by RAKESH LODHA
Date: 2023.05.05 19:56:51 +05'30'

Rakesh Lodha
Chief Financial Officer & Company Secretary
Place : Mumbai

TML SMART CITY MOBILITY SOLUTIONS LIMITED
Statement of Changes in Equity For the period from May 25, 2022 till March 31, 2023

A. Equity Share Capital		(₹ in lakhs)	
Particulars			
Balance as at May 25, 2022		-	
Proceeds from issue of shares		500.00	
Balance as at March 31, 2023		500.00	

B. Other Equity		(₹ in lakhs)	
Particulars	Retained earnings	Total other Equity	
Balance as at May 25, 2022	-	-	
Loss during the period	(159.20)	(159.20)	
Balance as at March 31, 2023	(159.20)	(159.20)	

See accompanying notes to financial statements

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

KALPESH
RAMESHCHANDR
A KHANDELWAL

Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No.: 23133124BGYBBM1913

Place :-Pune
Date :- May 3, 2023

For and on behalf of the Board

RAJENDRA
MAHADEO PETKAR

Rajendra Mahadeo Petkar [DIN:01693629]
Chairman
Place : Pune

ASIM KUMAR
MUKHOPADHYAY

Asim Kumar Mukhopadhyay [DIN:06520288]
Managing Director & Chief Executive Officer
Place : Mumbai

RAKESH
LODHA

Rakesh Lodha
Chief Financial Officer & Company Secretary
Place : Mumbai

TML SMART CITY MOBILITY SOLUTIONS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Background and operations

TML Smart City Mobility Solutions Limited referred to as ("the Company" or "TML SCMSL"), was incorporated on May 25, 2022, primarily to carry out the project of supply, operation and maintenance of electric vehicles. TML SCMSL is limited company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2023, Tata Motors Limited owns 100% of the Equity of the company. These financial statements were approved by the Board of Directors for issue on May 5, 2023.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

b. Basis of preparation

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period as explained in the accounting policies below.

c. Going Concern

These financial statements have been prepared on a going concern basis. The Company has assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these financial statements. Basis this evaluation, the Company believes that it will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following:

- i) Expected future operating cash flows based on business projections, and
- ii) Available credit facilities with its bankers.

Based on the above factors, the Company has concluded that the "going concern" assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

d. Revenue recognition

There has been no revenue from operations during the period.

e. Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

f. Provision

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.

g. Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the statement of Profit and Loss except when they relate to items that are recognised outside of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit and loss. Current income taxes are determined based on respective taxable income of each taxable entity.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

h. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

i. Cash flow statement

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

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

TML SMART CITY MOBILITY SOLUTIONS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

3. Investment in subsidiary, measured at cost - non-current	
(a) Accounting policy	
	Investment in subsidiary is measured at cost.
(b) Investment in subsidiary consist of the following:	
	(₹ in lakhs)
	<u>As at March 31, 2023</u>
	Unquoted Equity shares
	TML Smart City Mobility Solutions (J&K) Private Limited (100,000 equity shares at Rs. 10 each)
	<u>10.00</u>
	Total
	<u><u>10.00</u></u>
	(₹ in lakhs)
4. Other non-current assets	<u>As at March 31, 2023</u>
(a) Project Management Charges (Refer Note 22)	<u>151.11</u>
	Total
	<u><u>151.11</u></u>
5. Cash and cash equivalents	
(a) Accounting policy	
	Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three month that are readily convertible into cash and which are subject to an insignificant risk of changes in value.
(b) Cash and cash equivalents consist of the following:	
	(₹ in lakhs)
	<u>As at March 31, 2023</u>
(a) Cheques on hand	<u>0.25</u>
(b) Balances with banks	<u>7,684.45</u>
	<u><u>7,684.70</u></u>
	(₹ in lakhs)
6. Other financial assets - current	<u>As at March 31, 2023</u>
(a) Security deposits	<u>1.56</u>
	Total
	<u><u>1.56</u></u>
	(₹ in lakhs)
7. Other current assets	<u>As at March 31, 2023</u>
(a) Project Management Charges (Refer Note 22)	<u>14.11</u>
	Total
	<u><u>14.11</u></u>

TML SMART CITY MOBILITY SOLUTIONS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in lakhs)																																									
8. Equity Share Capital	As at March 31, 2023																																									
(a) Authorised:																																										
5,000,000 Ordinary shares of ₹10 each	500.00																																									
Total	500.00																																									
(b) Issued, subscribed and paid up capital																																										
5,000,000 Ordinary shares of ₹10 each	500.00																																									
Total	500.00																																									
(c) The movement of number of shares and share capital	(₹ in lakhs)																																									
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">No. of shares</th> <th style="width: 15%; text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td>Equity shares as at May 25, 2022</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Add: Shares Issued during the period</td> <td style="text-align: center;">5,000,000</td> <td style="text-align: center;">500.00</td> </tr> <tr> <td>Equity shares at the end of the year</td> <td style="text-align: center;">5,000,000</td> <td style="text-align: center;">500.00</td> </tr> </tbody> </table>		No. of shares	Amount	Equity shares as at May 25, 2022	-	-	Add: Shares Issued during the period	5,000,000	500.00	Equity shares at the end of the year	5,000,000	500.00																													
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Equity shares at the end of the year	5,000,000	500.00																																								
(d) Terms and rights attached to equity shares																																										
The Company has only one class of equity shares having a face value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share.																																										
(e) Number of shares held by each share holder holding more than 5 percent of issued share capital:																																										
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%; text-align: left;">Name</th> <th style="width: 15%; text-align: center;">% of Issued Share capital</th> <th style="width: 15%; text-align: center;">Number of shares</th> </tr> </thead> <tbody> <tr> <td>Tata Motors Limited</td> <td style="text-align: center;">99.99%</td> <td style="text-align: center;">4,999,994</td> </tr> </tbody> </table>	Name	% of Issued Share capital	Number of shares	Tata Motors Limited	99.99%	4,999,994																																				
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(f) Disclosure of shareholdings of promoters																																										
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Tata Motors Limited	99.99%	4,999,994																																								
(g) Information regarding issue of shares in the last five years																																										
(i) During the current year, the company has not issued any shares without payment being received in cash.																																										
(ii) The Company has not issued any bonus shares.																																										
(iii) The Company has not undertaken any buy-back of shares.																																										
9. Other non-current liabilities	(₹ in lakhs)																																									
	As at March 31, 2023																																									
(a) Deferred Government incentives	7,198.96																																									
Total	7,198.96																																									
10. Trade payables	(₹ in lakhs)																																									
	As at March 31, 2023																																									
Outstanding dues other than micro and small enterprises	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th colspan="4" style="text-align: center;">Overdue</th> <th style="width: 10%;"></th> </tr> <tr> <th style="width: 10%;"></th> <th style="width: 15%;">Not due</th> <th style="width: 15%;">upto 1 year</th> <th style="width: 15%;">1- 2 years</th> <th style="width: 15%;">2-3 years</th> <th style="width: 15%;">more than 3 years</th> <th style="width: 10%; text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>(a) Disputed dues</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>(b) Undisputed dues</td> <td style="text-align: center;">277.53</td> <td style="text-align: center;">16.85</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">294.38</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">277.53</td> <td style="text-align: center;">16.85</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">294.38</td> </tr> <tr> <td>Balance as at March 31, 2023</td> <td style="text-align: center;">277.53</td> <td style="text-align: center;">16.85</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">294.38</td> </tr> </tbody> </table>		Overdue						Not due	upto 1 year	1- 2 years	2-3 years	more than 3 years	Total	(a) Disputed dues	-	-	-	-	-	-	(b) Undisputed dues	277.53	16.85	-	-	-	294.38	Total	277.53	16.85	-	-	-	294.38	Balance as at March 31, 2023	277.53	16.85	-	-	-	294.38
	Overdue																																									
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(a) Disputed dues																																										
(b) Undisputed dues																																										
Total																																										
Balance as at March 31, 2023																																										
11. Other current liabilities	(₹ in lakhs)																																									
	As at March 31, 2023																																									
(a) Statutory dues	27.34																																									
Total	27.34																																									

TML SMART CITY MOBILITY SOLUTIONS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

12. Other expenses	For the period from May 25, 2022 to March 31, 2023
(a) Information technology/computer expenses	52.68
(b) Works operation and other expenses (note below)	106.52
Total	159.20

Note:

Works operation and other expenses include:

	For the period from May 25, 2022 to March 31, 2023
(a) Auditors' Remuneration (including GST)	3.54
(b) Project Management Charges (including GST)	4.15
(c) Pre Incorporation Expenses	7.17
(d) Guarantee Charges	77.58

13. Earnings/(loss) per Share ("EPS")

Accounting policy

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be antidilutive.

	For the period from May 25, 2022 to March 31, 2023
Profit/(loss) after tax	₹ lakhs (159.20)
Weighted average number of equity shares	Nos. 5,000,000
Basic Earnings per share of ₹10/- from continuing operations	₹ (3.18)

TML SMART CITY MOBILITY SOLUTIONS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

14. Financial instruments

(a) Accounting policy

(i) Recognition:

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

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in profit or loss.

Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and measurement – financial assets

Classification of financial assets is based on the business model in which the instruments are held as well as the characteristics of their contractual cash flows. The business model is based on management's intentions and past pattern of transactions. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified as follows

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

Classification and measurement – financial liabilities:

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, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts: These are initially measured at their fair values and, are subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognised less, the cumulative amount of income recognised.

Other financial liabilities: These are measured at amortised cost using the effective interest method.

Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(ii) Determination of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received).

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation methods.

(iii) Derecognition of financial assets and financial liabilities:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity is transferred to the statement of profit and loss unless it was an equity instrument electively held at fair value through other comprehensive income. In this case, any cumulative gain or loss in equity is transferred to retained earnings. Financial assets are written off when there is no reasonable expectation of recovery. The Company reviews the facts and circumstances around each asset before making a determination. Financial assets that are written off could still be subject to enforcement activities.

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

TML SMART CITY MOBILITY SOLUTIONS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

14. Financial instruments (continued)

(a) Accounting policy

(iv) Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on a financial asset that is at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability-weighted amount, takes into account the time value of money (values are discounted using the applicable effective interest rate) and uses reasonable and supportable information.

14. (b) Disclosures on financial instruments

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2023.

		(₹ in lakhs)		
Financial assets		Cash, and other financial assets at amortised cost	Total carrying value	Total fair value
(a)	Investments - non-current	10.00	10.00	10.00
(b)	Cash and cash equivalents	7,684.70	7,684.70	7,684.70
(c)	Other financial assets	1.56	1.56	1.56
	Total	7,696.26	7,696.26	7,696.26
Financial liabilities		Other financial liabilities (at amortised cost)	Total carrying value	Total fair value
(a)	Trade payables	294.38	294.38	294.38
	Total	294.38	294.38	294.38

14. (c) Financial Risk Management

The Company is exposed primarily to liquidity risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Following is the summary of undrawn borrowing facilities that the Company has at its disposal to further reduce liquidity risk:

(₹ in lakhs)	
Particulars	March 31, 2023
Borrowings & Bank Guarantees	
- amount used	-
- amount unused	82,900.00

14. (d) Capital Management

The Company' objective when managing capital are to safeguard their ability to continue as going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The capital structure of the Company consists of net debts (borrowings less cash and cash equivalents) and total equity.

The Management of the Company reviews the capital structure of the Company on annual basis before annual operating plan and long term product and strategic investment plans. As a part of the review, the committee considers the cost of capital and risk associated with each class of capital. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The gearing ratio at March 31, 2023 is -2254.90%(see below).

The gearing ratio at end of the reporting period was as follows:

(₹ in lakhs)	
Particulars	March 31, 2023
Debt	-
Cash and bank balance	7,684.70
Net Debt	(7,684.70)
Equity	340.80
Net debt to equity ratio	-2254.90%

TML Smart City Mobility Solutions Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

15. Related-party transactions

The Company's related parties principally includes its holding company (Tata Motors Limited) and subsidiary (TML Smart City Mobility Solutions J&K Private Limited). The Company routinely enters into transactions with these related parties in the ordinary course of business.

All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.

The following table summarises related-party transactions and balances for the year ended / as at March 31, 2023:

	Parent	Subsidiary	(₹ in lakhs) Total
A) Transactions			
Services received	140.28	-	140.28
Finance taken (including loans and equity)	500.00	-	500.00
Investment in subsidiary	-	10.00	10.00
(B) Balances			
Trade payables	128.39	-	128.39

Details of significant transactions are given below:

		(₹ in lakhs) Year ended March 31, 2023
Name of Related Party	Nature of relationship	
1) Finance taken (including loans and equity) Tata Motors Limited	Parent	500.00
2) Investment in Subsidiary TML Smart City Mobility Solutions (J&K) Private Limited	Subsidiary	10.00

16. Details of significant investment in subsidiary

		% direct holding Year ended March 31, 2023
Name of the Company	Nature of relationship	
TML Smart City Mobility Solutions (J&K) Private Limited	Subsidiary	100.00

17. Ratios

Sr. No.	Particulars	For the period from May 25, 2022 till March 31, 2023
a)	Current ratio (number of times) [Current assets (excluding Assets classified as held for sale) / Current liabilities (excluding Liabilities directly associated with Assets Classified as Held For Sale)]	23.94
b)	Return on equity (number of times) [Net profit after tax / Average shareholders' equity]	(0.47)
c)	Return on capital employed (number of times) [Profit before interest and tax / Capital employed]	(0.47)

Notes:

- i Equity = Equity share capital + Other equity.
- ii Capital employed includes Shareholders' Equity, non current and current borrowings.
- iii Since Company is incorporated during the year, other ratios are not applicable.

TML SMART CITY MOBILITY SOLUTIONS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

18. Income taxes

(a) Accounting policy

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the statement of Profit and Loss except when they relate to items that are recognised outside of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit and loss. Current income taxes are determined based on respective taxable income of each taxable entity.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(b) The reconciliation of income tax expense calculated as per tax rates applicable to individual entities with income tax expense is as follows:

	(₹ in lakhs)
Year ended	
March 31, 2023	
Profit/(loss) before tax	(159.20)
Income tax expense at tax rates applicable to individual entities	(46.36)
Items (net) not deductible for tax/not liable to tax	-
Utilization/credit of unrecognized tax losses, unabsorbed depreciation and other tax benefits	-
Deferred tax assets not recognised as realisation is not probable	46.36
Others	-
Income tax expense reported in statement of profit and loss	-

(c) Deferred tax assets is not recognised as there is no virtual certainty that unused tax losses will be utilised against future taxable income.

19. Commitments and contingencies

Contingent Liability of the company as at March 31, 2023 is ₹ 17,837.50 Lakhs pertaining to Bank Guarantees given to State Transport Undertakings. There are no capital commitments outstanding as on 31 March 2023.

20. Subsequent events

There are no subsequent events to report post balance sheet date.

TML Smart City Mobility Solutions Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS

21. Other statutory information

i. Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

		<u>(₹ in lakhs)</u>
		<u>As at March 31, 2023</u>
(a) Amounts outstanding but not due (including capital creditors) as at March 31,		-
(b) Amounts due but unpaid as at March 31,	- Principal	-
(c) Amounts paid after appointed date during the year	- Principal	-
(d) Amount of interest accrued and unpaid as at March 31,	- Interest	-
(e) Amount of estimated interest due and payable for the period from April 1, 2022 or actual date of payment or April 30, 2023 (whichever is earlier)	- Interest	-
ii. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.		
iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.		
iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.		
v. The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.		
vi. There are no transaction with struck off companies.		
(a) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.		
vii. (b) There are no funds which have been received by the from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.		
viii. The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.		
ix. Financial year ended March 31, 2023 being the first period of the Company, there are no comparable figures.		

22. During the year, the Company has entered into a project management agreement with Convergence Energy Services Limited. Pursuant to this agreement, the Company has to pay ₹ 846.64 Lakhs (inclusive of GST) in three milestones, first installment of 20%, ₹ 169.33 Lakhs, being due on 30 Decmeber 2022 on successful bid of tender and signing of agreement. The agreement is for a period of 12 years starting 15 December 2022. The portion of project management cost for the period elapsed as per agreement is recognised in profit and loss account and the balance is presented as "Project management cost" under current & non current assets.

23. In accordance with the Rule 6 of The Companies (Accounts) Rules, 2014, as the ultimate holding Company, i.e., Tata Motors Limited, files its consolidated financial statements with the Registrar of Companies which are prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of The Companies Act, 2013, TML Smart City Mobility Solutions Limited is not required to prepare its consolidated financial statements for year ended 31 March 2023.

In terms of our report attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

KALPESH
RAMESHCHANDRA
NDRA
KHANDELWAL

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by KALPESH
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Date: 2023.05.05
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Kalpesh Khandelwal
Partner
Membership No. 133124
UDIN No.: 23133124BGYBBM1913
Place :- Pune
Date :- May 5, 2023

For and on behalf of the Board

RAJENDRA
MAHADEO PETKAR

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MAHADEO PETKAR
Date: 2023.05.05 20:13:29
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Rajendra Mahadeo Petkar [DIN:01693629]
Chairman
Place : Pune

ASIM KUMAR
MUKHOPADHYAY

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Date: 2023.05.05 19:53:07
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Asim Kumar Mukhopadhyay [DIN:06520288]
Managing Director & Chief Executive Officer
Place : Mumbai

RAKESH
LODHA

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Date: 2023.05.05
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Rakesh Lodha
Chief Financial Officer & Company Secretary
Place : Mumbai

Date :- May 5, 2023