

INDEPENDENT AUDITOR'S REPORT

To the Members of Albonair (India) Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Albonair (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

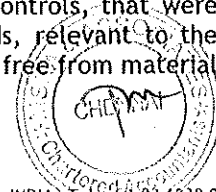
The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance / Board of Directors for the Financial Statements

The Company's Board of Directors is 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

Those Board of Directors are 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

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



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- iv.
- a. The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 3.12 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 3.12 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard 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 (1) and (2) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

T.V.Ganesh
Partner
Membership No. 203370
UDIN: 23203370BGRKYF5318



Place: Chennai
Date: May 03, 2023

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF ALBONAIR (INDIA) PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

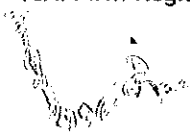
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

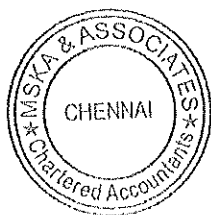
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



T.V. Ganesh
Partner
Membership No. 203370
UDIN: 23203370BGRKYF5318



Place: Chennai
Date: May 03, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALBONAIR (INDIA) PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

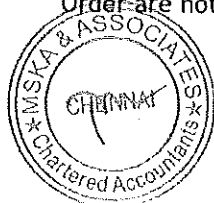
- i.
- (a)
- A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and Equipment and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of all item of Property Plant and Equipment over the period of two years and accordingly some of the item of Property Plant and Equipment were physically verified during the year which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Based on the information and explanation provided to us, there were no material discrepancies noticed on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii.
- (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks are in agreement with the books of account.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.



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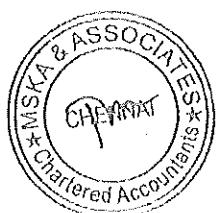
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, cess or other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix.
- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Hence reporting under the Clause (ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.



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- xi.
- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards. The Company does not fall under definition of a listed company or other class of companies which is required to constitute audit committee under section 177(4) (iv) of the Act and said provision is not applicable to the company.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi.
- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.



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- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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 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. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under Clause 3(xxi) of the Order is not applicable.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

T.V.Ganesh
Partner
Membership No. 203370
UDIN: 23203370BGRKYF5318



Place: Chennai
Date: May 03, 2023

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALBONAIR (INDIA) PRIVATE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Albonair (India) Private Limited on the Financial Statements for the year ended March 31, 2023]

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

Opinion

We have audited the internal financial controls with reference to financial statements of Albonair (India) Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control 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 (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

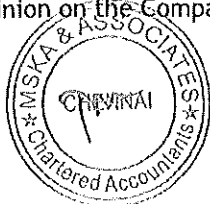
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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

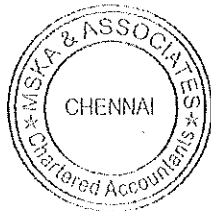
A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 control 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

T.V.Ganesh
Partner
Membership No. 203370
UDIN: 23203370BGRKYF5318



Place: Chennai
Date: May 03, 2023

Albonair (India) Private Limited
Balance sheet as at March 31, 2023

Particulars	Note	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	17.06	17.14
Capital work-in-progress	1.1	0.31	0.15
Right-of-use asset	1.1A	1.57	1.55
Other Intangible assets	1.2	1.14	1.20
Income tax assets (net)	1.3	0.48	0.53
Other non-current assets	1.4	0.45	0.80
		21.01	21.37
Current assets			
Inventories	1.5	74.73	89.28
Financial Assets			
(i) Trade receivables	1.6	195.13	171.93
(ii) Cash and cash equivalents	1.7	82.60	1.61
(iii) Other financial assets	1.8	0.21	0.01
Other current assets	1.9	2.87	0.96
		355.54	263.79
TOTAL ASSETS		376.55	285.16
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.10	45.00	45.00
Other equity	1.11	100.32	28.12
		145.32	73.12
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	1.12	1.14	1.23
Provisions	1.13	38.86	19.16
Deferred tax liabilities (net)	1.14	0.06	0.31
		40.06	20.70
Current liabilities			
Financial liabilities			
(i) Borrowings	1.15	-	16.19
(ii) Trade payables	1.16		
a) Total outstanding dues of micro enterprises and small enterprises		1.15	0.74
b) Total outstanding dues other than micro enterprises and small enterprises		157.68	158.97
(iii) Lease Liability	1.12	0.50	0.35
(iv) Other financial liabilities	1.17	5.23	3.62
Other current liabilities	1.18	7.27	1.96
Provisions	1.19	19.34	9.51
		191.17	191.34
TOTAL EQUITY AND LIABILITIES		376.55	285.16

Statement on Significant Accounting Policies and Notes form an integral part of this Financial Statements.

For and on behalf of the Board

N. Saravanan
Chairman & Chief Executive Officer
DIN: 08772440

Vasan Ranganathan
Chief Financial Officer

N. Pandi
Company Secretary
Date: May 03, 2023
Chennai

This is the Balance Sheet referred to in our report of even date.

For MSKA & Associates
Firm Registration Number - 105047W
Chartered Accountants

T.V.Ganesh
Partner
Membership Number - 203370

Date: May 03, 2023
Chennai

Albonair (India) Private Limited
Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Note	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Income			
Revenue from operations	2.1	1,047.95	522.25
Other income	2.2	0.53	0.05
Total Income		1,048.48	522.30
Expenses			
Cost of materials and services consumed	2.3	852.81	453.57
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.4	15.68	(23.03)
Employee benefits expense	2.5	7.86	6.08
Finance costs	2.6	0.16	3.45
Depreciation and amortisation expense	2.7	4.57	4.30
Other expenses	2.8	70.60	37.53
Total Expenses		951.68	481.90
Profit before tax		96.80	40.40
Tax expense:			
Current tax		25.00	9.59
Deferred tax - (Credit) / Charge		(0.29)	(0.12)
		24.71	9.47
Profit for the year		72.09	30.93
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		0.15	(0.05)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.04)	0.01
Total Other Comprehensive Income / (Loss)		0.11	(0.04)
Total Comprehensive Income for the year		72.20	30.89
Earnings per share (Face value Rs.10 each)			
-Basic (in Rs.)	3.3	16.02	6.87
-Diluted (in Rs.)	3.3	16.02	6.87

Statement on Significant Accounting Policies and Notes form an integral part of this Financial Statements.

For and on behalf of the Board

N. Saravanan
Chairman & Chief Executive Officer
DIN: 08772440

Vasan Ranganathan
Chief Financial Officer

N. Pandi
Company Secretary
Date: May 03, 2023
Chennai

This is the Statement of Profit and Loss referred to in our report of even date.
For MSKA & Associates
Firm Registration Number - 105047W
Chartered Accountants

T.V.Ganesh
Partner
Membership Number - 203370
Date: May 03, 2023
Chennai

Albonair (India) Private Limited
Statement of Cash flows for the period ended March 31,2023

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
Cash flow from operating activities		
Profit for the year	72.09	30.93
Adjustments for :		
Depreciation and amortisation expenses	4.57	4.30
Exchange Variation (net)	0.10	0.01
Loss on sale of Property Plant and Equipment - Net	0.04	0.15
Income tax expense	24.71	9.47
Finance costs	0.16	3.45
Interest income	(0.53)	(0.05)
Operating profit before working capital changes	101.14	48.26
Adjustments for changes in :		
Trade receivables	(23.20)	(77.64)
Inventories	14.55	(65.80)
Current financial assets	(0.02)	(0.01)
Other non-current and current assets	(1.90)	(0.19)
Trade payables	(0.98)	99.09
Current financial liabilities	1.45	(0.11)
Current liabilities	5.31	(2.00)
Other non-current and current provisions	29.68	20.72
Cash generated from Operations	126.03	22.31
Income tax paid (net of refund)	(24.94)	(9.98)
Net cash generated from operating activities	[A] 101.09	12.33
Cash flow from investing activities		
Purchase of Property, Plant and Equipment and intangible assets	(3.72)	(5.07)
Proceeds on sale of Property, Plant and Equipment and intangible assets	-	0.02
Bank Balance not considered as Cash and Cash Equivalents (with maturity more than three months) - Net	-	-
Interest received	0.35	0.05
Net cash used in investing activities	[B] (3.37)	(5.00)
Cash flow from financing activities		
(Repayments of) / proceeds from current borrowings - Net	(16.19)	(2.04)
Payments of Lease liability	(0.51)	(0.47)
Interest paid	(0.03)	(3.30)
Net cash used in financing activities	[C] (16.73)	(5.81)
Net Increase in Cash and Cash Equivalents	[A+B+C] 80.99	1.52
Cash and cash equivalents at the beginning of the Year	1.61	0.09
Cash and cash equivalents at the end of the year [Refer Note 1.7 to the financial statements]	82.60	1.61

Statement on Significant Accounting Policies and Notes form an integral part of this Financial Statements.

For and on behalf of the Board

N. Saravanan
Chairman & Chief Executive Officer
DIN: 08772440

Vasan Ranganathan
Chief Financial Officer

N. Pandi
Company Secretary
Date: May 03, 2023
Chennai

This is the Statement of Cash Flows referred to in our report of even date.
For **MSKA & Associates**
Firm Registration Number - 105047W
Chartered Accountants

T.V.Ganesh
Partner
Membership Number - 203370
Date: May 03, 2023

Albonair (India) Private Limited
Statement of Changes in Equity for the period ended March 31,2023

A. Equity Share Capital

Rs. Crores

	As at March 31,2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid				
Opening	4,50,00,000	45	4,50,00,000	45
Add: Equity Shares issued during the year	-	-	-	-
Closing	4,50,00,000	45	4,50,00,000	45

B. Other Equity

Rs. Crores

Particulars	Retained earnings
Balance as at April 1, 2021	(2.77)
Profit for the year	30.93
Other comprehensive income (net of tax)	(0.04)
Total Comprehensive Income for the year	30.89
Transactions with owners:	
On issue of shares	-
Balance as at March 31, 2022	28.12
Profit for the year	72.09
Other comprehensive income (net of tax)	0.11
Total Comprehensive Income for the year	72.20
Transactions with owners:	
On issue of shares	-
Balance as at March 31,2023	100.32

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board

N. Saravanan
Chairman & Chief Executive Officer
DIN: 08772440

Vasan Ranganathan
Chief Financial Officer

N. Pandi
Company Secretary
Date: May 03, 2023
Chennai

This is the Statement of changes in Equity referred to in our report of even date.

For MSA & Associates
Firm Registration Number - 105047W
Chartered Accountants

T.V.Ganesh
Partner
Membership Number - 203370
Date: May 03, 2023
Chennai

Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

1. General Information

Albonair India Private Limited ("The Company") is an unlisted private company domiciled in India and governed by the Companies Act, 2013 ("Act"). The Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The Company is principally engaged in the development and production of exhaust after-treatment systems for on-road and off-road vehicles. The Company is a subsidiary of Ashok Leyland Limited.

2. Significant Accounting Policies

2.1 Compliance with Indian Accounting Standards (Ind AS)

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

2.2 Basis of preparation of financial statements

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

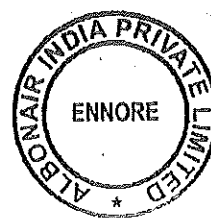
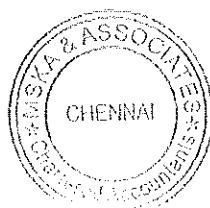
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a 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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act. Based on the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and all values are rounded to the nearest crores as per the requirement of Schedule III of the Companies Act 2013, except when otherwise indicated



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

The significant accounting policies are detailed below:

3.1 Revenue Recognition

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from Sale of Products

Revenue from sale of products is recognised when control of the asset is transferred to the customer, generally when the product is despatched to the customer or appropriated in accordance with the terms of Sale and when the Collectability of the resulting receivable is reasonably assured. With respect to revenue from sale of Exhaust After treatment system the Company operates predominantly on credit basis (30 to 45 days) to customers.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of consideration payable to the customer, etc.

Revenue from Sale of Services

Revenue from services is recognised over the period of time as and when services are rendered in accordance with the specific terms of contract with customers. Revenue in excess of invoicing are classified as Contract assets (referred to as Unbilled revenue) while invoicing in excess of revenues are classified as Contract liabilities (referred to as Unearned revenue)

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.) Interest income is included in other income in the statement of profit or loss.

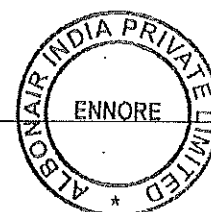
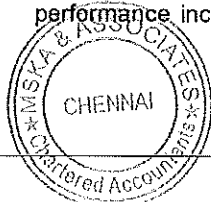
3.2 Foreign currency transactions

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at that date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognized as profit or loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.3 Employee benefits

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period the related



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting period.

Retirement benefit costs and termination benefits

Payment to defined contribution retirement benefits plans are determined under the relevant schemes and /or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

Payments to defined contribution plans i.e., Company's contribution to provident fund, and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees. For defined benefit plans i.e. Company's liability towards gratuity (unfunded) and compensated absences (unfunded), the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits are recognised as an expense in the period in which they are incurred.

3.4 Income Taxes

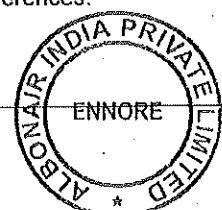
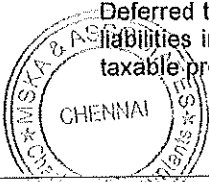
Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also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

Current tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

Deferred tax assets are recognised for all unused tax credits (MAT entitlement), deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those unused tax credits, deductible temporary differences and unused losses can be utilised.

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

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

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

If there is uncertainty over tax treatment of an item, company will predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amounts of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. If it is not so probable that tax authority will accept the tax treatment, company will show the effect of the uncertainty for each uncertain tax treatment by using either the most likely outcome or the expected outcome of the uncertainty.

3.5 Property, Plant and Equipment.

Cost:

Property, Plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenses attributable to bringing the asset to its working condition and also borrowing cost in respect of qualifying assets.

Depreciation/ amortisation:

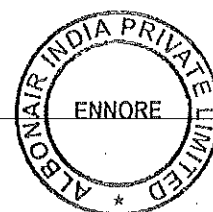
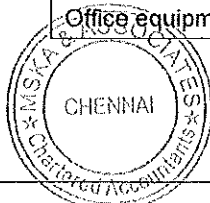
Depreciation on Property, Plant and Equipment is recognised from the date the assets are ready for their intended use so as to write off the cost of the assets less their residual values over their useful lives using the straight-line method.

Depreciation on Property, plant and Equipment which are added/disposed during the year, is provided on pro-rata basis with reference to the month of addition/ deletion. When significant parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of Property, Plant and Equipment.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Classes of Property, Plant and Equipment	Useful life (years)
Plant and machinery	1 to 20 years
Furniture and fittings	2 to 8 years
Office equipment	3 to 8 years
Office equipment – Data processing system (including servers)	3 to 8 years



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

De-recognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.6 Intangible Assets

Intangible assets are capitalised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The Company has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2015 (the transition date) measured as per the previous GAAP and use such carrying values as its deemed cost as of the transition date.

De-recognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

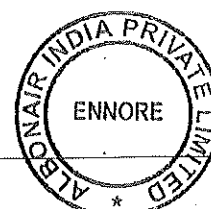
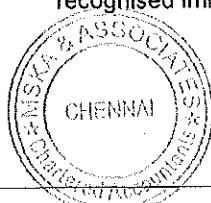
Classes of Intangible Asset	Useful life (years)
Other Software	2 to 8 years

3.7 Impairment losses

At the end of each reporting period, the Company determines whether there is any indication that its assets (property, plant and equipment and intangible assets) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

3.8 Leases

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low-value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment's and small items of plant and equipment and office furniture.

At the commencement date, Company recognise a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in statement of profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of profit and Loss.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short term and highly liquid investments (if any) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.10 Inventories

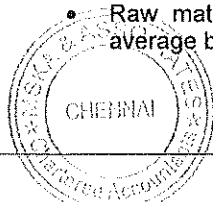
Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, and consumable tools comprises cost of purchases and includes taxes and duties and is net of eligible credits under GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventories are determined as follows:

- Raw materials and components, stores, spares, consumable tools: on moving weighted average basis; and



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

3.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation it's carrying amount is the present value of those cash flows (when the effect of the time value of money is material.)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Warranties:

Provision for expected cost of warranty obligations governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims regarding possible future incidences. Product warranty is estimated and made for the unexpired period with regard to obligations after considering contractual recourse on the supplier for product defects.

3.12 Borrowing costs

Borrowing costs (general and specific borrowings) that are attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

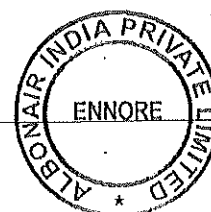
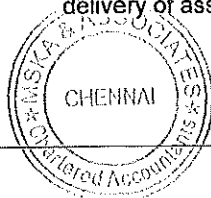
3.13 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.

3.14 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

3.14.1 Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

Financial instruments that meet the following conditions are subsequently measured at amortised cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at FVTOCI if the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets which are not classified in any of the above categories are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other Income" line item.

3.14.2 Impairment of financial assets

A financial asset is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

The Company applies expected credit loss model for recognising impairment loss on financial assets not designated as at FVTPL.

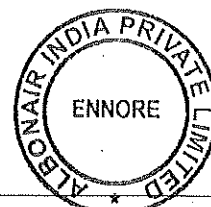
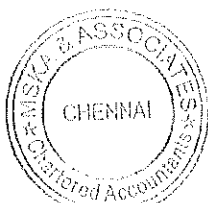
Expected credit losses are measured through a loss allowance at an amount equal to:

- a. the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

3.14.3 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

3.15 Financial liabilities and equity instruments

3.15.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.15.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

3.15.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.15.4 De-recognition of financial liabilities

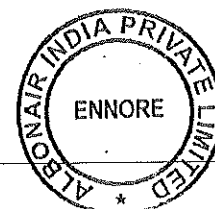
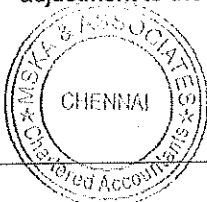
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Critical Accounting Judgments and key sources of estimation uncertainty

4.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements and or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

4.2 Critical accounting estimates

4.2.1 Provision for product warranty

The Company's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

4.2.2 Fair value measurements and valuation processes

If any of the Company's assets and liabilities are measured at fair value for financial reporting purposes, the Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuations. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities will be disclosed in Notes to the Financial Statements.

4.3.3 Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

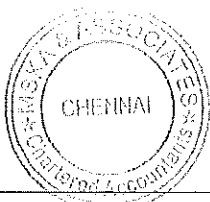
4.3.4 Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Amendments to IND AS effective from April 1, 2023

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

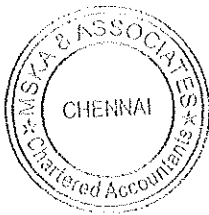
Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.



Albonair (India) Private Limited
Notes annexed to and forming part of financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.



Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION / AMORTISATION				Rs. Crores
	01.04.2022	Additions	Disposals / Adjustment	31.03.2023	Upto 31.03.2022	Charge during the year	Disposals / Adjustment	31.03.2023	
Property, plant and equipment (PPE)									
Plant and equipment	22.41	3.24	0.08	25.57	6.70	3.18	0.04	9.84	15.73
Furniture and fittings	0.47	0.31	-	0.78	0.29	0.20	-	0.49	0.29
Office Equipment	2.24	0.15	0.05	2.34	0.99	0.36	0.05	1.30	1.04
TOTAL	25.12	3.71	0.13	28.69	7.98	3.74	0.09	11.63	17.06
Capital work-in-progress									0.31

Description	01.04.2022	Additions	Capitalised during the year	Adjustments	31.03.2023
Capital work-in-progress	0.15	3.87	3.71	-	0.31

CWIP Ageing Schedule

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.31	-	-	-	0.31
Projects temporarily suspended	-	-	-	-	-

There are no Capital Work in Progress as at 31 March 2023, whose completion is overdue or has exceeded its cost compared to its original plan.

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (continued)

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT
	01.04.2021	Additions / Adjustment	Disposals / Adjustment	31.03.2022	Upto 31.03.2021	Charge during the year	Disposals / Adjustment	31.03.2022
Property, plant and equipment (PPE)								
Plant and equipment	20.43	2.26	0.28	22.41	3.77	3.04	0.11	15.71
Furniture and fittings	0.47	-	-	0.47	0.13	0.16	-	0.18
Office Equipment	1.94	0.30	-	2.24	0.68	0.31	-	1.25
TOTAL	22.84	2.56	0.28	25.12	4.58	3.51	0.11	17.14
Capital work-in-progress								
								0.15

Description	01.04.2021	Additions	Capitalised during the year	Adjustments	31.03.2022
Capital work-in-progress	0.18	2.53	2.56	-	0.15

CWIP Ageing Schedule

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.15	-	-	-	0.15
Projects temporarily suspended	-	-	-	-	-

Albonair (India) Private Limited

Notes annexed to and forming part of the financial statements

1.1A RIGHT-OF-USE ASSET

Description	01.04.2022	Additions	Closure / Pre closure	Depreciation	Net Carrying Amount 31.03.2023
Building	1.55	0.44	-	0.42	1.57
Total	1.55	0.44	-	0.42	1.57

1. Escalation clause - during the year from 1st Jan 2023 rent has been increased from Rs 0.04 to Rs 0.05 Crores.
2. Discounting rate used for the purpose of computing right to use asset is 8.3%.
3. Rental amount per annum is Rs. 0.51 Crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period is 5 Years over which the right to use asset has been depreciated.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.

Albonair (India) Private Limited

Notes annexed to and forming part of the financial statements

1.2 INTANGIBLE ASSETS

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION				NET CARRYING AMOUNT
	01.04.2022	Additions	Disposals / Adjustment	31.03.2023	Upto 31.03.2022	Charge during the year	Disposals / Adjustment	Upto 31.03.2023	
Intangible assets									
Computer software - Acquired	2.21	0.35	-	2.56	1.01	0.41	-	1.42	1.14
TOTAL	2.21	0.35	-	2.56	1.01	0.41	-	1.42	1.14

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION				NET CARRYING AMOUNT
	01.04.2021	Additions	Disposals / Adjustment	31.03.2022	Upto 31.03.2021	Charge during the year	Disposals / Adjustment	Upto 31.03.2022	
Intangible assets									
Computer software - Acquired	2.06	0.15	-	2.21	0.61	0.40	-	1.01	1.20
TOTAL	2.06	0.15	-	2.21	0.61	0.40	-	1.01	1.20

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
1.3 NON - CURRENT - INCOME TAX ASSETS (NET)		
Advance income tax (net of provision for tax Rs 24.86 crores (March 22:Rs 9.59 Crores))	0.48	0.53
	0.48	0.53
1.4 OTHER NON-CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Capital advances		
Others		
Considered good	0.44	0.78
	0.44	0.78
b) Balances with customs, port trust, central excise etc.		
Considered doubtful	0.06	0.06
Less: Allowance for doubtful balances	(0.06)	(0.06)
	-	-
c) Prepaid expenses	0.01	0.02
	0.01	0.02
	0.45	0.80
Note:		
Movement in Allowance for doubtful balances towards balances with customs, port trust, central excise, etc.is as follows:		
Particulars	March 31,2023	March 31, 2022
Opening balance	(0.06)	(0.06)
Additions	-	-
Utilisations / Reversals	-	-
Closing balance	(0.06)	(0.06)

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
1.5 INVENTORIES		
(a) Raw materials and components	54.21	56.00
(b) Work-in-progress	-	-
(c) Finished goods	17.59	33.27
(d) Stores, spares and consumable tools	2.93	0.01
	74.73	89.28
Notes:		
1. Goods in transit included above are as follows:		
Raw materials and components	-	3.84
2. Cost of materials consumed (including purchase cost) during the year	868.49	430.54

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

1.6 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES
(Unsecured)

Considered good
Related parties (Refer Note 3.6C)
Others

As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
186.57	155.58
8.56	16.35
195.13	171.93

Trade Receivables ageing schedule for the year ended 31 March 2023 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
Related Parties							
(i) Undisputed Trade receivables – considered good	-	180.64	5.87	0.05	-	-	186.57
Others							
(i) Undisputed Trade receivables – considered good	-	6.99	1.19	0.38	-	-	8.56

Trade Receivables ageing schedule for the year ended 31 March 2022 :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
Related Parties							
(i) Undisputed Trade receivables – considered good	-	155.55	0.03	-	-	-	155.58
Others							
(i) Undisputed Trade receivables – considered good	-	9.76	6.12	0.47	-	-	16.35

Note: Borrowings are secured by trade receivables.

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
1.7 CASH AND CASH EQUIVALENTS		
i) Balance with banks:		
a) In current accounts	32.60	0.09
b) In deposit accounts-Fixed deposit with bank having Maturity less than 3 months	50.00	1.52
ii) Cash on hand *	-	-
	82.60	1.61
* amount is below rounding off norms adopted by the company		
1.8 CURRENT FINANCIAL ASSETS - OTHERS (Unsecured, considered good unless otherwise stated)		
a) Employee advances	0.03	0.01
b) Interest accrued on FD	0.18	-
	0.21	0.01
1.9 OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Supplier advances Considered good	1.78	0.18
b) Balances with Government authorities Balances with customs	0.81	0.16
c) Prepaid expenses	0.28	0.62
	2.87	0.96

1.10 EQUITY SHARE CAPITAL

Authorised

4,50,00,000 Equity shares of Rs. 10 each

As at
March 31, 2023
Rs. Crores

As at
March 31, 2022
Rs. Crores

45.00

45.00

45.00

45.00

Issued

4,50,00,000 Equity shares of Rs. 10 each

45.00

45.00

45.00

45.00

Subscribed and fully paid up

4,50,00,000 Equity shares of Rs. 10 each

45.00

45.00

45.00

45.00

Notes:

1. Reconciliation of number of equity shares subscribed

Balance as at the beginning of the year

Add: Issued during the year

Balance as at end of the period

March 31, 2023

March 31, 2022

4,50,00,000

4,50,00,000

-

-

4,50,00,000

4,50,00,000

2. Shares issued in preceding 5 years

Aggregate number and class of shares allotted for consideration other than cash, bonus shares etc. in the five years immediately preceding the Balance sheet date as on March 31, 2023 is Nil (March 2022 - Nil)

3. Shares held by the Holding Company

Ashok Leyland Limited, the holding company, holds 4,50,00,000 (March 2022: 4,50,00,000) Equity shares of Rs.10 (March 2022: Rs.10) each aggregating to 100% (March 2022: 100%) of the total share capital.

4. Rights, preferences and restrictions in respect of equity shares issued by the Company

The Equity share holders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.

5.Details of Shares held by Promoters at the end of the year		31-Mar-23			31 March 2022		
S. No	Promoter name	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
	Ashok Leyland Limited	4,50,00,000	100%	-	4,50,00,000	100%	-

1.11 OTHER EQUITY

Retained Earnings:

Balance as at the beginning of the year

Current year profit

Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)

Balance as at the end of the year

As at
March 31, 2023
Rs. Crores

As at
March 31, 2022
Rs. Crores

28.12

(2.77)

72.09

30.93

0.11

(0.04)

100.32

28.12

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

1.12 Lease Liability

The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022:

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	0.50	0.35
Non-current lease liabilities	1.14	1.23

The movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 is as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	1.58	-
Additions	0.44	1.90
Finance cost accrued during the period	0.13	0.15
Payment of lease liabilities	0.51	0.47
Balance at the end	1.64	1.58

Maturity analysis of future lease payments on an undiscounted basis

Particulars	As at March 31, 2023 Rs in Crores	As at March 31, 2022 Rs in Crores
(a) Not later than 1 year	0.62	0.47
(b) Later than 1 year and not later than 5 years	1.24	1.40
(c) Later than 5 years	-	-

Details of rental payment for contracts for which exemption is availed under IND AS 116 are as under:

Particulars	As at March 31, 2022 Rs in Crores	As at March 31, 2021 Rs in Crores
Lease period being less than 12 months from the date of inception of lease	0.01	0.01

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

1.13 NON-CURRENT PROVISIONS

- a) Provision for employee benefits
 - i. Compensated absences
 - ii. Gratuity
- b) Others
 - i. Product warranties

As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
0.22	0.39
0.36	0.47
38.28	18.30
38.86	19.16

Note:

Movement in Provision for product warranties is as follows :

Particulars

- Opening
- Add: Additions
- Less: Utilisations
- Less: Reversals
- Closing

March 31, 2023	March 31, 2022
18.30	4.60
20.00	13.70
(0.02)	-
-	-
38.28	18.30

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which range from 1 to 36 months.

1.14 DEFERRED TAX LIABILITIES (NET)

- a) Deferred tax liabilities
- b) Deferred tax (assets)

As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
0.67	0.94
(0.61)	(0.63)
0.06	0.31

Note:

Refer Note 3.1 for details of deferred tax liabilities and assets.

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

1.15 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Short term loans from banks	-	16.19
Secured Borrowings - Working Capital Demand Loans	-	16.19

Note:

1. The weighted average rate of interest of these loans is Nil (March 2022 7.21% per annum) . The Borrowings are secured against Inventory and Trade Receivables of the company of Rs. 74.73 Crores (March 2022 Rs. 89.28 crores) and Rs. 195.13 Crores (March 2022 Rs.171.93 crores) respectively.
2. The company has registered the charges on security offered for the purpose of availing loan within the stipulated period.
3. The company has utilised the loans borrowed during the year for the purpose for which it is obtained as mentioned in the borrowing agreements.
4. The company is not declared as a wilful defaulter by any banks or financial institutions.
5. The periodical returns submitted to the banks matches with books of accounts of the company.

Net debt reconciliation:

Cash and cash equivalents
Current borrowings
Net debt

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Cash and cash equivalents	82.60	1.61
Current borrowings	-	(16.19)
Net debt	82.60	(14.58)

Net debt as at March 31, 2021
Cash flows (net)
Interest / Processing fee expense
Interest / Processing fee paid
Net debt as at March 31, 2022
Cash flows (net)
Interest / Processing fee expense
Interest / Processing fee paid
Net debt as at March 31, 2023

Other assets Cash and Cash equivalents	Liabilities from financing activities Current borrowings	Total
0.09	(18.23)	(18.14)
1.52	2.04	3.56
-	(3.30)	(3.30)
-	3.30	3.30
1.61	(16.19)	(14.58)
80.99	16.19	97.18
-	(0.03)	(0.03)
-	0.03	0.03
82.60	-	82.60

Albonair (India) Private Limited
Notes annexed to and forming part of the financial statements

1.16 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Trade payables - including acceptances

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Total outstanding dues of micro enterprises and small enterprises	1.15	0.74
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	157.68	158.97
	158.83	159.71

Trade Payables ageing schedule - 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1.12	0.04	-	-	-	1.15
(ii) Others	6.64	149.10	1.94	-	-	-	157.68
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Related Parties	-	1.11	-	-	-	-	1.11
Others	6.64	149.10	1.97	-	-	-	157.72

Trade Payables ageing schedule - 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.74	-	-	-	-	0.74
(ii) Others	4.96	152.16	1.85	-	-	-	158.97
(iii) Disputed dues - MSME	-	0	-	-	-	-	-
(iv) Disputed dues - Others	-	0	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Related Parties	-	0.52	0.02	-	-	-	0.54
Others	4.96	152.38	1.83	-	-	-	159.17

Note:

1. These are carried at amortised cost.
2. Includes accrued expenses / liabilities amounting to Rs. 6.64 crores (March 2022: Rs. 4.96 crores).

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Notes annexed to and forming part of the financial statements

1.17 CURRENT - OTHER FINANCIAL LIABILITIES

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Employee benefits	0.01	0.01
b) Capital creditors	0.28	0.12
c) Others - Accrued expenses	4.94	3.49
	5.23	3.62

1.18 OTHER CURRENT LIABILITIES

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Statutory liabilities	7.27	1.96
	7.27	1.96

1.19 CURRENT PROVISIONS

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Provision for employee benefits		
i. Compensated absences	0.09	0.04
ii. Gratuity	0.12	0.04
b) Others		
i. Product warranties	19.13	9.43
	19.34	9.51

Note:

Movement in Provision for product warranties is as follows :

Particulars	March 31, 2023	March 31, 2022
Opening	9.43	2.57
Add: Additions	9.70	6.86
Less: Utilisations	-	-
Less: Reversals	-	-
Closing	19.13	9.43

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which range from 1 to 36 months.

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		Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
2.1 REVENUE FROM OPERATIONS			
a) Sale of products			
- BS6 Specific parts		1,005.35	502.99
- Selective Catalytic Reduction (SCR)		1.51	3.34
- Spare parts and others		17.98	4.28
	(A)	1,024.84	510.61
b) Sale of services			
- Freight		23.05	11.25
- Others		-	0.37
	(B)	23.05	11.62
c) Other operating revenues			
- Scrap sales		0.06	0.02
	(C)	0.06	0.02
	(A+B+C)	1,047.95	522.25
2.2 OTHER INCOME			
a) Interest income from			
Deposits with banks - at amortised cost		0.53	0.05
Others		0.01	-
		0.53	0.05

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2.3 COST OF MATERIALS AND SERVICES CONSUMED

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
Opening Stock	56.00	13.24
Add:- Purchases and expenses- net	851.02	496.33
	907.02	509.57
Less: Closing Stock	(54.21)	(56.00)
	852.81	453.57

2.4 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
Changes in inventories		
- Finished goods and stock-in-trade	15.68	(23.03)
- Work-in-progress	-	-
Net change	15.68	(23.03)

2.5 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
a) Salaries and wages	6.64	5.46
b) Contribution to provident and other funds	0.22	0.19
c) Gratuity and compensated absences expenses	0.02	0.17
d) Staff welfare expenses	0.98	0.26
	7.86	6.08

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	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
2.6 FINANCE COSTS		
a) Interest expense	0.03	3.30
b) Interest on lease liability	0.13	0.15
	0.16	3.45
	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
2.7 DEPRECIATION AND AMORTISATION EXPENSE		
A) Property, plant and equipment		
(i) Plant and equipment	3.18	3.04
(ii) Furniture and fittings	0.20	0.16
(iii) Office equipment	0.36	0.31
	(A) 3.74	3.51
B) Intangible assets		
Computer software - Acquired	0.41	0.40
	(B) 0.41	0.40
C) Right-of-use asset	0.42	0.39
	(C) 0.42	0.39
	(A+B+C) 4.57	4.30

Albonair (India) Private Limited
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	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
2.8 OTHER EXPENSES		
(a) Consumption of stores and tools	0.35	0.12
(b) Power and fuel	0.24	0.19
(c) Rent	0.01	0.01
(d) Repairs and maintenance		
- Buildings	-	-
- Plant and machinery #	0.02	0.11
(e) Insurance	0.66	0.73
(f) Rates and taxes, excluding taxes on income	0.10	0.16
(g) Service and product warranties (Net of reversals)*	29.68	20.56
(h) Packing and Forwarding Charges	22.99	8.40
(i) Consultancy and Professional charges	8.09	2.21
(j) Foreign exchange loss – net	1.43	0.46
(k) Payments to Auditor	0.10	0.08
(l) Travel Expenses and conveyance	1.35	0.48
(m) Bank charges	0.06	0.04
(n) Manpower and Security agent charges	3.41	1.69
(o) Selling and administration expenses - net	1.19	1.60
(p) Annual maintenance contracts	0.52	0.47
(q) loss on sale of property plant and Equipment - Net	0.04	0.15
(r) 'CSR Expenditure	0.36	0.07
	70.60	37.53

*During the year, the company reassessed its estimate for provision for warranty from 4% of eligible sales to 3%. Due to this revision, the profit for the year is higher by Rs. 9.89 crores.

Note:

1) Payments to Auditor comprise:

	March 31, 2023	March 31, 2022
For Statutory Audit	0.08	0.05
For Taxation matters	0.02	0.02
Reimbursement of expenses	0.01	0.01

2) Rent expenses include:

Short term lease expenses, lease expenses for low value assets, and Variable lease payments	0.01	0.01
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Albonair (India) Private Limited
Notes annexed to and forming part of the Financial Statements

3.1 Income taxes relating to continuing operations

3.1.1 Income tax recognised in profit or loss

Current tax

Deferred tax

In respect of the current year

Adjustments to deferred tax attributable to changes in tax rates and laws

Total income tax expense recognised in profit or loss

Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
25.00	9.59
(0.29)	(0.12)
-	-
24.71	9.47

3.1.2 Income tax expense for the year reconciled to the accounting profit:

Profit before tax

Income tax rate *

Income tax expense *

Deferred tax expense/ (reversal) in relation to Property, Plant and Equipment

Effect of previously unrecognised and unused tax losses / unabsorbed depreciation and deductible temporary differences

Others

Income tax expense recognised in profit or loss

Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
96.80	40.40
25.17%	25.17%
24.36	10.17
(0.28)	(0.63)
0.62	(0.17)
0.00	0.10
24.71	9.47

* The Company has opted to exercise the option under Section 115BAA of the Income Tax Act, 1961 as introduced by the taxation laws (Amendment) Ordinance, 2019 in the financial year 2020-21.

3.1.3 Income tax recognised in other comprehensive income

Current tax

Deferred tax

Remeasurement of defined benefit obligation

Total income tax recognised in other comprehensive income

Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
-	-
(0.04)	0.01
(0.04)	0.01

Albonair (India) Private Limited
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3.1.4 Analysis of deferred tax assets / liabilities:

	Rs. Crores			
March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) /assets in relation to:				
Property, Plant & Equipment and intangible assets	(0.56)	0.28	-	(0.28)
Right-of-use Asset	(0.39)	(0.00)	-	(0.39)
Lease Liability	0.40	0.01	-	0.41
Expenditure allowed upon payments	0.24	(0.00)	(0.04)	0.20
Other temporary differences	-			-
Total	(0.31)	0.29	(0.04)	(0.06)

	Rs. Crores			
March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) /assets in relation to:				
Property, Plant & Equipment and intangible assets	(1.19)	0.63	-	(0.56)
Right-of-use Asset	-	(0.39)	-	(0.39)
Lease Liability	-	0.40	-	0.40
Expenditure allowed upon payments	0.14	0.09	0.01	0.24
Other temporary differences	0.61	(0.61)	-	-
Total	(0.44)	0.12	0.01	(0.31)

3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

There are no unused tax losses and unused tax credits balance as at 31 March 2023 and 31 March 2022.

3.2 Retirement benefit plans

3.2.1 Defined contribution plans

Eligible employees of the Company are entitled to receive benefits in respect of Provident Fund and Employee's pension scheme, are defined contribution plans, in which both employees and the Company make monthly contributions to the Employee's Provident Fund Organisation at a specified percentage of the covered employees' salary.

The total expense recognised in Statement of profit and loss of Rs. 0.22 Crores (2021-2022: 0.19 Crores) represents employers contribution to the fund said above.

3.2.2 Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

Company's liability towards gratuity (unfunded) and compensated absences (unfunded) are actuarially determined at the end of each year using the projected unit credit method as applicable. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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3.2 Retirement benefit plans (continued)

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

	As at March 31, 2023	As at March 31, 2022
Gratuity		
Discount rate	7.12%	6.86%
Expected rate of salary increase	11.80%	12.00%
Average Longevity at retirement age - past service	4.42	4.57
Average Longevity at retirement age - future service	3.50	8.16
Attrition rate	28.07%	11.00%
Compensated absences		
Discount rate	7.12%	6.86%
Expected rate of salary increase	11.80%	12.00%
Attrition rate	28.07%	11.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3.2.4 Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Gratuity		
Current service cost	0.09	0.08
Net interest expense / (income)	0.03	0.02
Past service cost **	-	0.00
Components of defined benefit costs recognised in profit or loss *	0.12	0.10
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial loss arising from changes in financial assumptions	(0.15)	0.05
Actuarial gain / (loss) arising from experience adjustments **	(0.00)	0.00
Components of defined benefit costs recognised in other comprehensive income	(0.15)	0.05
Total	(0.03)	0.15
Compensated absences and other defined benefit plans		
Net interest expense	0.03	0.02
Current service cost	0.03	0.04
Actuarial (gain)/loss arising from changes in financial assumptions	(0.08)	(0.05)
Actuarial loss arising from experience adjustments	(0.09)	0.06
Components of defined benefit costs recognised in profit or loss *	(0.11)	0.07

* Included in "Gratuity and compensated absences expenses" under employee benefits expense in profit or loss (Refer Note 2.5).

** amount in FY 2022-23 is below rounding off norms adopted by the company.

Albonair (India) Private Limited
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3.2.5 The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Gratuity		
Present value of defined benefit obligation	0.47	0.51
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation (unfunded)	0.47	0.51
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation	0.31	0.43
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation (unfunded)	0.31	0.43

3.2.6 Movements in the present value of the defined benefit obligation were as follows:

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
(1) Gratuity		
Opening defined benefit obligation	0.51	0.36
Current service cost	0.09	0.08
Interest cost	0.03	0.02
Actuarial (loss)/gain arising from changes in financial assumptions	(0.15)	0.05
Actuarial gain arising from experience adjustments *	(0.00)	0.00
Benefits paid	(0.01)	-
Closing defined benefit obligation	0.47	0.51

* amount in FY 2022-23 is below rounding off norms adopted by the company

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
(2) Compensated absences and other defined benefit plans		
Opening defined benefit obligation	0.43	0.37
Current service cost	0.03	0.04
Interest cost	0.03	0.02
Actuarial gain arising from changes in financial assumptions	(0.08)	(0.05)
Actuarial (gain)/loss arising from experience adjustments	(0.09)	0.06
Benefits paid	(0.01)	(0.01)
Closing defined benefit obligation	0.31	0.43

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3.2.7 Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Gratuity		
Opening fair value of plan assets	-	-
Contributions	0.01	-
Benefits paid	(0.01)	-
Closing fair value of plan assets	-	-
Compensated absences		
Opening fair value of plan assets	-	-
Contributions	0.01	0.01
Benefits paid	(0.01)	(0.01)
Closing fair value of plan assets	-	-

The Company does not fund the cost of the gratuity expected to be earned on a yearly basis.

3.2.8 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Gratuity		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	0.01	0.02
increase by	0.01	0.02
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:		
increase by	0.01	0.02
decrease by	0.01	0.02
Compensated absences		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	0.00	0.02
increase by	0.00	0.02
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:		
increase by	0.00	0.02
decrease by	0.00	0.02

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The average duration of the benefit obligation (gratuity) is 4 years (March 2022: 9.4 years).

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3.3 Earnings per share

Basic earnings per share
Diluted earnings per share
Face value per share

Year ended March 31, 2023 Rs.	Year ended March 31, 2022 Rs.
16.02	6.87
16.02	6.87
10.00	10.00

3.3.1 Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Profit for the year attributable to equity shareholders

Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
72.09	30.93

Weighted average number of equity shares used in the calculation of basic earnings per share

Year ended March 31, 2023 Nos.	Year ended March 31, 2022 Nos.
4,50,00,000	4,50,00,000

3.3.2 Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:

Profit for the year attributable to equity shareholders

Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
72.09	30.93

Weighted average number of equity shares used in the calculation of basic earnings per share

Year ended March 31, 2023 Nos.	Year ended March 31, 2022 Nos.
4,50,00,000	4,50,00,000

3.4 Financial Instruments

3.4.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual master planning and budgeting and five year's corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The company has registered the charges on security offered for the purpose of availing loan within the stipulated period. The company has utilised the loans borrowed during the year for the purpose for which it is obtained as mentioned in the borrowing agreements. The company is not declared as a wilful defaulter. The periodical returns submitted to the banks matches with books of accounts of the Company.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

Gearing Ratio:

	March 31, 2023	March 31, 2022
Debt (Short-term borrowings and lease liabilities)	1.64	17.77
Total equity	145.32	73.12
Debt equity ratio	0.01	0.24

The Company is required to comply with certain covenants under the Facility Agreements executed for its borrowings, which is monitored for compliance.

3.4.2 Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

(A) Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

3.4 Financial Instruments (continued)

(1) Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, its treasury team.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

As on March 31, 2023 (all amounts are in equivalent Rs. Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	11.07	-	11.07	-	-	-	(11.07)
EUR	10.31	-	10.31	-	-	-	(10.31)

As on March 31, 2022 (all amounts are in equivalent Rs. Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	7.92	-	7.92	-	-	-	(7.92)
EUR	3.24	-	3.24	-	-	-	(3.24)

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

	Rs. Crores	
	Impact in Statement of Profit and loss	
	March 31, 2023	March 31, 2022
USD	0.22	0.16
EUR	0.21	0.07

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3.4 Financial Instruments (continued)

(2) Interest rate risk management:

The Company is exposed to interest rate risk pertaining to funds borrowed at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Further, in appropriate cases, the Company may also effect changes in the borrowing arrangements to convert floating interest rates to fixed interest rates and vice versa.

The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2023	March 31, 2022
	Rs.Crores	Rs.Crores
Variable rate Borrowings	-	16.19

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 25 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/ lower, the Company's profit for the year ended March 31, 2023 would decrease/ increase by Nil (2021-22: decrease/ increase by Rs. 0.11). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

(B) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company does not have significant credit risk exposure since the Holding Company is its main customer.

The Company, thus has Nil expected credit loss allowance for trade receivable after considering historical credit loss experience and adjusted for forward-looking information.

Age analysis of Trade receivables

Particulars	As at March 31, 2023			As at March 31, 2022		
	Rs.Crores			Rs.Crores		
	Gross	Allowance	Net	Gross	Allowance	Net
Not Due	187.64	-	187.64	165.31	-	165.31
Due less than 6 months	7.06	-	7.06	6.15	-	6.15
Due greater than 6 months	0.43	-	0.43	0.47	-	0.47
Total	195.13	-	195.13	171.93	-	171.93

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, and other financial assets excluding equity investments.

3.4 Financial Instruments (continued)

(C) 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 has obtained fund based working capital lines from bank.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2023 Rs. Crores	March 31, 2022 Rs. Crores
Expiring within one year (bank overdraft and other facilities)		
- Secured	51.00	31.81
- Unsecured	-	-
Total	51.00	31.81

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the undiscounted cash flows.

	Rs. Crores		
Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year Total
March 31, 2023			
Trade payables	158.83	-	- 158.83
Other financial liabilities	5.23	-	- 5.23
Borrowings	-	-	- -
Lease Liabilities	0.62	1.24	- 1.86
	164.68	1.24	- 165.93
March 31, 2022			
Trade payables	159.71	-	- 159.71
Other financial liabilities	3.62	-	- 3.62
Borrowings	16.19	-	- 16.19
Lease Liability	0.47	1.40	- 1.86
	179.99	1.40	- 181.38

Categories of Financial assets and liabilities:

	As at March 31, 2023 Rs.Crores	As at March 31, 2022 Rs.Crores
Financial assets		
<u>Measured at amortised cost:</u>		
Cash and cash equivalents	82.60	1.61
Trade receivables	195.13	171.93
Others	0.21	0.01
	277.94	173.55
Financial liabilities		
<u>Measured at amortised cost:</u>		
Borrowings	-	16.19
Trade payables	158.83	159.71
Other financial liabilities	5.23	3.62
Lease Liability	1.64	1.58
	165.70	181.10

Albonair (India) Private Limited
Notes annexed to and forming part of the Financial Statements

3.5 Revenue from contracts with customers

3.5.1 Disaggregated revenue information

Particulars	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Type of goods and service		
a) Sale of products		
- BS6 Specific Parts	1,005.35	502.99
- Selective Catalytic Reduction (SCR)	1.51	3.34
- Spare parts and Others	17.98	4.28
	1,024.84	510.61
b) Sale of services		
- Freight	23.05	11.25
- Others	-	0.37
	23.05	11.62
c) Other operating revenues		
- Scrap sales	0.06	0.02
	0.06	0.02
Total revenue from contracts with customers	1,047.95	522.25
India	1,045.82	522.03
Outside India	2.13	0.22
Total revenue from contracts with customers	1,047.95	522.25

Timing of revenue recognition

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating income	1,024.90	-	510.63	-
- Sale of Services - Freight	23.05	-	11.25	-
- Sale of Services - Other recoveries	-	-	0.37	-
Total revenue from contracts with customers	1,047.95	-	522.25	-

3.5.2 Contract balances

Particulars	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Trade receivables (Refer notes 1.6)	195.13	171.93

Trade receivables are non - interest bearing and are generally on terms of 45 days.

3.5.3 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Contracted price	1,047.95	522.25
Adjustments		
Rebates and discounts	-	-
Revenue from contracts with customers	1,047.95	522.25

3.5.4 Unsatisfied or partially unsatisfied Performance obligation

There are no unsatisfied or partially unsatisfied performance obligation as at March 31, 2023 and March 31, 2022.

3.6 Related party disclosure

a) List of parties where control exists

Holding company

Ashok Leyland Limited

(Holding Company)

Hinduja Automotive Limited, United Kingdom

(Holding company of Ashok Leyland Limited)

Machen Holdings SA

(Holding Company of Hinduja Automotive Limited, United Kingdom)

Machen Development Corporation, Panama

(Holding Company of Machen Holdings, SA)

Amas Holdings SA

(Holding Company of Machen Development Corporation, Panama)

Fellow subsidiaries

Albonair GmbH, Germany

- Albonair (Taicang) Automotive Technology Co. Limited., China

Hinduja Tech Limited

Key Management Personnel

Dr. N Saravanan, Chief Executive Officer.....Effective from July 10, 2020

3.6 Related party disclosure (continued)

b) Related Party Transactions - summary

Rs. Crores

Particulars		Fellow Subsidiaries		Holding Company		Total	
	Transactions during the year ended March 31	2023	2022	2023	2022	2023	2022
1	Purchase of raw materials, components and traded goods (net of GST)*	2.53	1.63	-	-	2.53	1.63
2	Sales and services (net of GST)	2.13	0.22	974.58	495.56	976.71	495.78
3	Other expenditure incurred / (recovered) (net)	6.05	0.34	3.86	2.85	9.91	3.19
4	Purchase of assets	0.05	-	-	-	0.05	-
5	Sale of assets	-	-	-	-	-	-

* amount is below rounding off norms adopted by the company

c) Related Party Balances - summary

Rs. Crores

Particulars		Fellow Subsidiaries		Holding Company		Total	
	Balances as on March 31	2023	2022	2023	2022	2023	2022
1	Trade receivables	2.13	0.04	184.44	155.54	186.57	155.58
2	Trade and other payables	1.11	0.54	-	-	1.11	0.54
3	Supplier Advance			(0.05)	-	(0.05)	-

Albonair (India) Private Limited
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3.6 Related party disclosure (continued)

d) Significant Related Party Transactions

		Rs. Crores	
Transactions during the year ended March 31		2023	2022
1	Purchase of raw materials, components and traded goods (net of GST)		
	Albonair GmbH, Germany	2.14	0.75
	Albonair (Taicang) Automotive Technology Co. Ltd., China	0.39	0.88
	Ashok Leyland Limited *	-	-
2	Sales and services (net of GST)		
	Sale of Finished goods (Net of GST)		
	Ashok Leyland Limited	998.01	492.76
	Albonair GmbH, Germany	0.06	0.22
	Albonair (Taicang) Automotive Technology Co. Ltd., China	2.07	-
	Sale of Spare Parts		
	Ashok Leyland Limited	16.57	2.80
	Revenue from Services		
	Albonair GmbH	-	-
	Ashok Leyland Limited	-	-
	Sale of assets		
	Albonair GmbH	-	-
	Volume Discount		
	Ashok Leyland Limited	(40.00)	-
3	Other expenditure incurred / (recovered) (net)		
	Receipt of Services		
	Ashok Leyland Limited	3.35	2.38
	Albonair GmbH, Germany	6.05	0.34
	Rent Expenses		
	Ashok Leyland Limited	0.51	0.47
4	Purchase of assets		
	Albonair GmbH	-	-
	Hinduja Tech Limited- Other Intangible Asset	0.05	-
* amount is below rounding off norms adopted by the company			

3.7 Contingent liabilities and Commitments

Particulars	As at March 31, 2023 Rs.Crores	As at March 31, 2022 Rs.Crores
Capital commitments (net of advances) not provided for.	1.14	1.65

There are no contingent liabilities as at the end of current and previous financial year

3.8 The company operates only in one segment viz. development and production of exhaust after-treatment systems for on-road and off road vehicles and hence, segment reporting is not applicable.

3.9 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

Particulars	Rs. Crores	
	March 31, 2023	March 31, 2022
i) Principal amount paid after appointed date during the year	-	-
ii) Amount of interest due and payable for the delayed payment of principal amount	-	-
iii) Principal amount remaining unpaid as at year end (over due)	0.13	-
iv) Principal amount remaining unpaid as at year end (not due)	1.14	0.74
v) Interest due and payable on principal amount unpaid as at the year end	-	-
vi) Total amount of interest accrued and unpaid as at year end	0.01	-
vii) Further interest remaining due and payable for earlier years	-	-

3.10 Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibilities (CSR) activities. The company's net profits have crossed the limit prescribed under section 135 only in the financial year 2020-21, hence, CSR became applicable to the Company only from the FY 2021-22.

Particulars	March 31, 2023	March 31, 2022
Amount required to be spent during the year	0.36	0.07
Amount of expenditure incurred,	0.36	0.07
Shortfall if any	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Refer note 1 below	Refer note 2 below
Details of related party transactions where CSR is entrusted to a related party	NA	NA
Opening Provision (if any)		
Addition		
Utilisation	NA	NA
Closing Provision		

Note 1:

The Company had spent the CSR fund towards Mobile Medical unit, Tamilnadu Region.

Note 2:

The Company had spent the CSR fund towards installation of RO water purifiers in schools.

Albonair (India) Private Limited
Notes annexed to and forming part of the Financial Statements

3.11 Ratios as required under Schedule III to the Companies Act, 2013

Particulars	Numerator	Denominator	2022-23	2021-22	Variance
Current ratio	Current assets	Current liabilities	1.86	1.38	35% *
Debt equity ratio	Total Debt ⁽¹⁾	Shareholder's Equity	0.01	0.24	-95% *
Debt service coverage ratio	Earnings available for debt service ⁽²⁾	Debt Service ⁽³⁾	142.26	10.26	1287% *****
Return on Equity Ratio	Net Profits after taxes	Shareholder's Equity	50%	42%	7%
Inventory turnover ratio	Cost of materials consumed	Average Inventory	10.59	7.64	39% **
Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.71	3.92	46% *
Trade payables turnover ratio	Purchases of materials and other expenses	Average Trade Payables	5.91	2.93	102% ****
Net capital turnover ratio	Revenue	Working Capital	6.38	7.21	-12%
Net profit ratio	Net Profit	Revenue	6.88%	5.92%	1%
Return on Capital Employed	Earning before interest and taxes	Capital Employed ⁽⁴⁾	52.31%	46.73%	6%

⁽¹⁾ Debt represents Short term borrowings and lease liabilities current & non-current.

⁽²⁾ Net Profit after taxes + Depreciation and amortisation + finance cost.

⁽³⁾ Interest + Lease payments

⁽⁴⁾ Total assets- Current liabilities

Reason for variance exceeding 25%

*Internal cash accruals arising out of increased business has been optimally placed in short term deposits thereby increasing the liquidity and the ratio

**Company is effectively following "Just-in-Time inventory" to meet the demand , thereby improving inventory turnover ratio

*** Receivables in FY2022 were delayed due to downturn arising out of COVID-19 , now situation is stabilised at 60 days net receivables

**** Payables in FY2022 were delayed due to downturn arising out of COVID-19 , now situation is stabilised at 60 days net payables on an average

***** Borrowings are fully repaid at the beginning of the year (April 2022) and there has been no significant borrowing during the year leading to improvement in Debt service coverage

3.12 Ultimate Beneficiary

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether 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.

No funds have been received by the Company from any persons / entities, including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3.13 There are no benami properties held by the Company.

3.14 The company has complied with the number of layers prescribed under the Companies Act.

3.15 The Company does not have undisclosed income.

3.16 The company does not deal with virtual currency.

3.17 The company does not have any transactions with struck off companies during the year.

3.18 "The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

3.19 The financial statements were approved for issue by the Board of Directors on 03rd May 2023

3.20 The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

For and on behalf of the Board

N. Saravanan
Chairman & Chief Executive Officer
DIN: 08772440

Vasan Ranganathan
Chief Financial Officer

N. Pandi
Company Secretary
Date: May 03, 2023

For MSKA & Associates
Firm Registration Number - 105047W
Chartered Accountants

T.V.Ganesh
Partner
Membership Number - 203370
Date: May 03, 2023
Chennai