

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF MAHINDRA INTEGRATED BUSINESS SOLUTIONS PRIVATE LIMITED WILL BE HELD THROUGH VIDEO CONFERENCING (VC) FACILITY/ OTHER AUDIO VISUAL MEANS (OAVM) ON MONDAY , 26<sup>TH</sup> JULY, 2021 AT 5:00 P.M. AT MUMBAI TO TRANSACT THE FOLLOWING BUSINESSES:**

**THE PROCEEDINGS OF THE AGM SHALL BE DEEMED TO BE CONDUCTED AT THE REGISTERED OFFICE OF THE COMPANY, MAHINDRA TOWERS, P. K. KURNE CHOWK, WORLI, MUMBAI - 400 018 WHICH BE THE DEEMED VENUE OF THE AGM.**

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### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2021.
3. To appoint a Director in place of Mr. S Durgashankar (DIN: 00044713) who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. **Appointment of Mr. Rahul Asthana (DIN: 00234247) as an Independent Director of the Company**

**To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being

in force) and the Articles of Association of the Company, Mr. Rahul Asthana (DIN: 00234247), who was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> December, 2020 under section 161 of the Companies Act, 2013 and who qualifies for being appointed as Independent Director and in respect of whom the Company has received Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of three years up to 27<sup>th</sup> December, 2023.”

#### **5. Appointment of Ms. Neera Saggi (DIN: 00501029) as an Independent Director of the Company**

**To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, Ms. Neera Saggi (DIN: 00501029), who was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> December, 2020 under section 161 of the Companies Act, 2013 and who qualifies for being appointed as Independent Director and in respect of whom the Company has received Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of three years office up to 27<sup>th</sup> December, 2023.”

#### **6. Payment of Commission to Independent Directors of the Company**

**To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with rules made thereunder

(including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and such other approvals as may be necessary, consent of the members be and is hereby accorded that an amount of Rs. 5 Lakhs per annum be paid by way of commission to each of the Independent Directors of the Company, Mr. Rahul Asthana and Ms. Neera Saggi for the financial year ended 31<sup>st</sup> March, 2021 on proportionate basis from the date of their appointment, i.e. for the period from 28<sup>th</sup> December, 2020 to 31<sup>st</sup> March, 2021, from out of the net profits of the Company, computed in the manner referred to in sections 197 and 198 and all other applicable provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** approval of the Members be accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

**For and on Behalf of the Board**

**S. Durgashankar**  
**Director**

Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018

CIN: U73100MH2011PTC212468

Email id: [iyer.gayathri@mahindra.com](mailto:iyer.gayathri@mahindra.com)

Tel: 022 2490 5828

Date: 4<sup>th</sup> May, 2021

Place: Mumbai

## NOTES

- 1) In view of the outbreak of COVID-19 pandemic requiring social distancing, the Ministry of Corporate Affairs (“MCA”) vide its General circular no.20/2020 dated 5<sup>th</sup> May, 2020 read with General circular no. 14/2020 dated 8<sup>th</sup> April, 2020, General circular no. 17/2020 dated 13<sup>th</sup> April, 2020 and General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 (collectively referred to as “MCA Circulars”) has permitted holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue for the calendar year 2021.

The MCA has clarified that for Companies that are not required to provide E-voting facility under the Companies Act, 2013 (“the Act”) while they are transacting any business(es) by voting at the General Meeting, the requirements provided in the Companies (Management and Administration) Rules, 2014, as amended up to date as well as the framework provided in the MCA Circulars will be applicable.

The general meeting of the Company is being held through VC / OAVM in compliance with the provisions of the Companies Act, 2013 read with Rules made thereunder and aforementioned MCA Circulars and the proceedings of the Meeting shall be deemed to be held at the venue/registered office of the Company as mentioned in the Notice of Annual General Meeting (“AGM”).

Notice of the AGM and Annual Report will be sent via e-mail to all Members as per e-mail addresses registered with the Company.

The Notice of the AGM along with the Annual Report 2020-21 is uploaded and available electronically on the Company’s website at: [www.mibs.in](http://www.mibs.in)

- 2) The Company’s Registrar and Transfer Agents for its share registry work (Electronic) are KFin Technologies Private Limited having its office at Karvy Selenium, Tower B, Plot nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana – 500032, and contact details as: Tel: 040 – 67162222, Fax: 040 – 23001153 and Email id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com); [karisma@kfintech.com](mailto:karisma@kfintech.com);
- 3) Details of Directors seeking appointment / re-appointment at the 10<sup>th</sup> Annual General Meeting in pursuance of provisions of the Companies Act, 2013 are given as an Annexure to the Notice.
- 4) An Explanatory Statement as required under section 102 of the Companies Act, 2013, is annexed hereto.

- 5) The Board has recommended Dividend @ 5.11% for the year ended on 31<sup>st</sup> March, 2021, i.e. Rs. 0.511/- per equity share on 97,79,511 fully paid-up equity shares of Rs. 10 each aggregating to Rs. 50 Lakhs.
- 6) The dividend declared at the Annual general Meeting would be paid to those persons whose names appear as Beneficial Owners as at the end of the business hours on Monday, 26<sup>th</sup> July, 2021 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form and whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Monday, 26<sup>th</sup> July, 2021.
- 7) There is no unpaid and unclaimed Dividend of earlier years which has been transferred during the financial year 2020-21 or due to be transferred to the Investor Education and Protection Fund (“IEPF”) during the financial year 2021-22 in terms of the applicable provisions of the Companies Act, 2013 (“Act”) read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. Further no shares on which dividend has not been paid or claimed for seven consecutive years or more has been transferred or is due to be transferred to IEPF during the financial year 2021-22 in terms of the applicable provisions of the Act read with the IEPF Rules, as amended from time to time.
- 8) Since this AGM is being held through VC / OAVM where physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 9) Members are entitled to attend and vote by show of hands, if permitted by the Chairman of the Meeting. Further, where a poll is required/demanded, the Members shall communicate their assent/ dissent on the agenda items of this Annual General Meeting by sending an email to [baria.feroze@mahindra.com](mailto:baria.feroze@mahindra.com) (“Designated email ID”) with cc to [iyer.gayathri@mahindra.com](mailto:iyer.gayathri@mahindra.com) and [biswal.grisma@mahindra.com](mailto:biswal.grisma@mahindra.com).
- 10) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 11) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

- 12) The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time. The facility of participating of the AGM through VC will be made available to all the members of the Company.
- 13) The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance to the designated email id.
- 14) Members can join the Meeting by clicking on the link provided in the email containing the notice convening this AGM of the Shareholders. The standard operating procedure on how to access and participate in the Meeting along with IT helpline number for joining the Meeting through VC/ OAVM will also be provided in the email containing the notice of this AGM.
- 15) Members are requested to update their change in contact details including email address and Bank details, if any, by sending a request to the aforementioned designated email ids.
- 16) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company through their registered email IDs on designation email ID any time before and during the meeting.
- 17) Corporate members intending to attend the meeting through their authorized representatives as per Section 113 of the Companies Act, 2013 are requested to email to [iyer.gayathri@mahindra.com](mailto:iyer.gayathri@mahindra.com) and [biswal.grisma@mahindra.com](mailto:biswal.grisma@mahindra.com), a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 18) The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to designated email ID any time before and during the meeting.

**ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING**

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**Details of Director seeking re-appointment at the 10<sup>th</sup> Annual General Meeting in pursuance of provisions of the Companies Act, 2013.**

**ITEM NO. 3**

Mr. S Durgashankar (DIN: 00044713), Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment at the 10<sup>th</sup> Annual General Meeting of the Company.

Particulars of Mr. S Durgashankar as required under the Secretarial Standard on General Meetings (SS – 2) are given below:

<b>Particulars</b>	<b>Mr. S Durgashankar</b>
Age	61 years
Qualifications	B.Com., Chartered Accountant
Experience	<p>Mr. S. Durgashankar (Durga), a Chartered Accountant, is currently President - Group Controller of Finance &amp; Accounts and Member of the Group Executive Board at Mahindra &amp; Mahindra Ltd. (M&amp;M). He is also Chairman of Mahindra Integrated Business Solutions Pvt. Ltd. He also serves on the Boards of many Group entities, listed &amp; unlisted, domestic &amp; international.</p> <p>Prior to his current assignment, he was President - Group M&amp;A, Corporate Accounts &amp; Group Secretarial and Member of the Group Executive Board and was instrumental in setting up the Mergers &amp; Acquisitions (M&amp;A) division at M&amp;M. The M&amp;A division at M&amp;M has successfully completed over 125+ Inorganic transactions both (Domestic and International) for the Group. At M&amp;M he has held various senior positions including as Corporate Treasurer and Head of Investor Relations. He was the CFO of Mahindra Satyam, when it was taken over by the Mahindra Group and was responsible for the company becoming current with respect to its Indian GAAP reporting requirements.</p>

	<p>Before joining M&amp;M Group he was the Group CFO of a group of businesses with interest in the power sector, listed in AIM &amp; NSE exchanges, where he played a key role in the parent company of that Group getting listed at the NSE. Earlier he headed one of the Strategic Business Units of a Bank where he acquired rich experience in project evaluation, lending and corporate restructuring. He has served / serving as nominee Director on the board of various listed/ unlisted companies.</p> <p>During his overall work experience of over 35 years, he has handled a wide spectrum of M&amp;A, Corporate Finance and Investor Relations assignments, at senior levels.</p> <p>He is an Alumni of Harvard Business School where he had attended the Advanced Management Program. He is also a speaker at many fora, including at Indian Institute of Management – Ahmedabad &amp; Nagpur on varied topics in M&amp;A, Finance, Governance &amp; on Business Disruption. He was the recipient of CFO 100 Awards in 2010, 2013 and 2014 for his contribution to Corporate Finance in the area of M&amp;A. He was also the recipient of CFO India League of Excellence Award in March 2015.</p>
Terms & conditions of appointment and re-appointment	Non-Executive and Non-Independent Director, liable to retire by rotation.
Details of Remuneration sought to be paid	N.A.
Details of Remuneration last drawn	N.A.
Date of first appointment on the Board	22 <sup>nd</sup> February, 2012
Shareholding in the company	Nil
Relationship with other Directors, Manager and other Key Managerial	N.A.



Personnel (KMPs) of the Company	
The number of Meetings of the Board attended during the year	7 (out of 7 Board meetings held)
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<p><u>Details of other Directorships -</u></p> <ol style="list-style-type: none"> <li>1. Mahindra EPC Irrigation Limited</li> <li>2. Mahindra Holdings Limited</li> <li>3. Mahindra HZPC Private Limited</li> <li>4. Swaraj Engines Limited</li> <li>5. Mahindra Vehicle Manufacturers Ltd.</li> <li>6. Mahindra Agri Solutions Ltd.</li> <li>7. Mahindra Logistics Ltd.</li> <li>8. Mahindra Rural Housing Finance Ltd.</li> <li>9. Mahindra Lifespace Developers Ltd.</li> </ol> <p><u>Details of other Memberships of Committees-</u></p> <ol style="list-style-type: none"> <li>1. Mahindra EPC Irrigation Limited - Member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee</li> <li>2. Swaraj Engines Limited - Member of Audit Committee</li> <li>3. Mahindra Vehicle Manufacturers Limited - Member of Audit Committee and Committee of Strategic Investments</li> <li>4. Mahindra HZPC Pvt. Ltd - Chairman of Audit Committee</li> <li>5. Mahindra Agri Solutions Limited - Chairman of Audit Committee; Member of Risk Management Committee, Committee of Directors for Borrowing and Allotment Committee</li> <li>6. Mahindra Logistics Limited - Member of Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship committee</li> <li>7. Mahindra Rural Housing Finance Ltd - Member of Nomination and Remuneration Committee and Asset Liability Committee</li> <li>8. Mahindra Holdings Limited - Member of Finance &amp; Accounts Audit Committee</li> </ol>

**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4 and 5**

**Appointment of Mr. Rahul Asthana & Ms. Neera Saggi as Independent Directors of the Company**

Mr. Rahul Asthana (DIN: 00234247) and Ms. Neera Saggi (DIN: 00501029) were appointed as Additional Directors designated as Independent Directors of the Company under Section 149 and 161 of the Companies Act, 2013 (the Act) by the Board members through Circular resolution w.e.f. 28<sup>th</sup> December, 2020 to hold office up to the date of the forthcoming Annual General Meeting pursuant to section 161 of the Companies Act, 2013 and subject to approval of Members for a period of 3 consecutive years upto 27<sup>th</sup> December, 2023.

The Company has received Notice in writing under Section 160 of the Act from a Member signifying his/its intention to propose Mr. Rahul Asthana and Ms. Neera Saggi as candidates for the office of Independent Directorship of the Company, not liable to retire by rotation.

Mr. Rahul Asthana and Ms. Neera Saggi have given their consent to act as Directors of the Company alongwith requisite declarations pursuant to Section 164 of the Act that they are not disqualified to be appointed as Directors of the Company.

In terms of Section 149 and other applicable provisions of the Act, Mr. Rahul Asthana and Ms. Neera Saggi, are eligible to be appointed as Independent Directors of the Company and the Company has also received declarations from them stating that they meet the criteria of independence as provided under Section 149(6) of the Act.

The Brief profile alongwith additional information as required under Secretarial Standard-1 in respect of Mr. Rahul Asthana (DIN: 00234247) and Ms. Neera Saggi (DIN: 00501029) are provided below:-

Particulars	Mr. Rahul Asthana	Ms. Neera Saggi
Age	68 Years	65 Years
Qualifications	Bachelor of Technology (B.Tech) – Major in Aeronautical Engineering from Indian Institute of Technology, Kanpur and MBA from International Center for Promotion of Enterprises University of Ljubljana, Slovenia.	Bachelor of Arts (Hons.) and completed Master of Business Administration, International Centre of Public Enterprise, Ljubljana, Slovenia (Sponsored by GOI- UNDP). She also holds Master in English Literature from the Delhi University.
Experience	Mr. Rahul Asthana has served as Commissioner of Mumbai Metropolitan Regional Development Authority (MMRDA) from 2011-2013 wherein he had a primary role of planning for the Mumbai Metropolitan region and implementation of large infrastructure projects Planning and regulation of development in areas like Cuffe Parade, Bandra Kurla Complex, etc. He was the Chairman of Mumbai Port Trust from 2008-2011 and headed Operations and Management	Ms. Neera Saggi has an extensive experience in both public and private sector, Ms. Neera Saggi joined the IAS in 1980. For Twenty-eight years she worked within the government with multiple stakeholders and in different sectors including health, commerce, shipping and ports. She was District Magistrate, Hooghly in West Bengal, Dy. Chairperson of the Jawaharlal Nehru Port Trust (JNPT), CMD of Hindustan Diamond Corporation and Development Commissioner of SEZ for the Western Region. In

	<p>of Mumbai Port.</p> <p>He was the Principal Secretary - Energy of Government of Maharashtra - Dept. Of Energy in 2007-2008. He was the Financial controller of Govt of India Dept. of Atomic Energy from 2002 to 2007, Chief Executive of Bombay Electric Supply &amp; Transport from 1999 to 2002 and Additional Commissioner of Municipal Corpn. of Greater Mumbai in 1998-1999.</p>	<p>her recent assignment she was working as a CEO in L &amp; T Seawoods Private Limited since 2008.</p> <p>She was elected as the First Women President of Bombay Chamber of Commerce and Industry (BCCI), in the Chamber's history of 168 years.</p>
Terms & conditions of appointment and re-appointment	Appointed as an Independent Director on the Board of Directors of the Company w.e.f. 28/12/2020, not liable to retire by rotation as per provision of the Companies Act, 2013.	Appointed as an Independent Director on the Board of Directors of the Company w.e.f. 28/12/2020, not liable to retire by rotation as per provision of the Companies Act, 2013.
Details of Remuneration sought to be paid	<p>Sitting fees for attending Board/ Committee meetings, on same terms as is applicable to Independent Directors.</p> <p>Payment of Commission as determined each year by the Board within the limits approved by the Members of the Company for Independent Directors</p>	<p>Sitting fees for attending Board/ Committee meetings, on same terms as is applicable to Independent Directors.</p> <p>Payment of Commission as determined each year by the Board within the limits approved by the Members of the Company for Independent Directors</p>

Details of Remuneration last drawn	Remuneration paid during the financial year 2020-21 by way of sitting fees is Rs. 1.20 Lakhs	Remuneration paid during the financial year 2020-21 by way of sitting fees is Rs. 1.20 Lakhs
Date of first appointment on the Board	28 <sup>th</sup> December, 2020	28 <sup>th</sup> December, 2020
Shareholding in the company	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel (KMPs) of the Company	None	None
The number of Meetings of the Board attended during the year	2 (out of 2 Board meetings)	2 (out of 2 Board meetings)
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<p><u>Details of other Directorships:</u></p> <ol style="list-style-type: none"> <li>1. Mahindra Waste to Energy Solutions Ltd.</li> <li>2. Sterlite Investment Managers Ltd.</li> <li>3. Aegis Logistics Ltd.</li> <li>4. NBS International Ltd.</li> <li>5. Mahindra Vehicle Manufacturers Limited</li> <li>6. Indigrd Investment Managers Limited</li> </ol> <p><u>Details of other Chairmanship and Memberships of Committee of other Boards:</u></p> <ol style="list-style-type: none"> <li>1. NBS International Limited: Member of Audit Committee and Nomination &amp; Remuneration</li> </ol>	<p><u>Details of other Directorships:</u></p> <ol style="list-style-type: none"> <li>1. GE T&amp;D India Limited</li> <li>2. Swaraj Engines Ltd.</li> <li>3. Tata Projects Limited</li> <li>4. GE Power India Limited</li> <li>5. Tata Steel BSL limited</li> <li>6. Honeywell Automation India Limited</li> <li>7. LTIDPL Indvit Services Limited</li> </ol> <p><u>Details of other Chairmanship and Memberships of Committee of other Boards:</u></p> <ol style="list-style-type: none"> <li>1. Swaraj Engines Ltd: Member of Audit Committee</li> </ol>

	<p>Committee.</p> <p>2. Sterlite Investment Managers Limited: Member of Audit Committee and Chairman of Nomination &amp; Remuneration Committee.</p> <p>3. Mahindra Waste to Energy Solutions Limited: Member of Audit Committee and Nomination &amp; Remuneration Committee.</p> <p>4. Aegis Logistics Ltd: Member of Nomination &amp; Remuneration Committee.</p> <p>5. Mahindra Vehicles Manufacturing Ltd: Member of Audit Committee and Nomination &amp; Remuneration Committee.</p>	<p>2. Tata Projects Limited: Member of Audit Committee and Chairperson of Nomination and Remuneration Committee &amp; Corporate Social Responsibility Committee.</p> <p>3. GE Power India Limited: Member of Audit &amp; Nomination and Remuneration Committee.</p> <p>4. GE T&amp;D India Limited: Chairperson of Risk Management Committee; and Member of Audit &amp; Nomination and Remuneration Committee.</p> <p>5. Tata Steel BSL Limited: Member of Audit Committee &amp; Chairperson of Nomination and Remuneration Committee.</p> <p>6. Honeywell Automation India Limited: Chairperson of Nomination and Remuneration Committee; Member of Audit, Corporate Social Responsibility &amp; Risk Management Committee.</p>
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The Board is of the view that Mr. Rahul Asthana and Ms. Neera Saggi fulfils the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and is independent of the Management. Their knowledge and experience will benefit the Company.

Based on the above, the Board recommends the appointment of Mr. Rahul Asthana and Ms. Neera Saggi as Directors to be designated as Independent Directors of the Company, not liable to retire by rotation, to hold office for a term of three consecutive years commencing from 28<sup>th</sup> December, 2020 till 27<sup>th</sup> January, 2023.

The Notice received from a Member signifying his/its intention to propose Mr. Rahul Asthana and Ms. Neera Saggi as candidate for the office of Directorship of the Company and their terms and conditions of appointment is open for inspection electronically and the members may send their request for inspection on the designated email IDs any time before and during the meeting.

Mr. Rahul Asthana and Ms. Neera Saggi and their relatives are interested in this resolution as it pertains to their appointment as Directors of the Company.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Directors recommends passing of the Resolutions at Item No. 4 & 5 as Ordinary Resolutions.

#### **ITEM NO. 6**

As per the provisions of Section 197 of Companies Act, 2013, the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed –

- (a) one per cent of the net profits of the company, if there is a managing or whole-time director or manager;
- (b) three per cent of the net profits in any other case.

Such commission would be distributed amongst and paid to the aforesaid Directors in such proportions as they may, from time to time, decide between themselves.

Ms. Neera Saggi and Mr. Rahul Asthana are Independent Directors of the Company. Considering their contribution in the Board processes and active participation in the meetings, and with a view to reward and motivate them, it is proposed, pursuant to the provisions of the 197 of the Companies Act, 2013, Rules made thereunder and other

applicable provisions, for payment of commission of Rs. 5 Lakhs per annum to each of the Independent Directors of the Company, Mr. Rahul Asthana and Ms. Neera Saggi for the financial year ended 31<sup>st</sup> March, 2021 on proportionate basis from the date of their appointment, i.e. for the period from 28<sup>th</sup> December, 2020 to 31<sup>st</sup> March, 2021 as mentioned in the resolution.

The aforesaid Commission payable would be within the limits (i.e. 3% of the net profit) referred to, and in accordance with the provisions of the sections 197 and 198 and all other applicable provisions of the Companies Act, 2013.

The Independent Directors of the company are also paid sitting fees for attending every meeting of the Board and Committee thereof.

Brief profile of the Directors alongwith other additional information as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are provided in the explanatory statement to Item no. 4 and 5 of this Notice.

Mr. Rahul Asthana and Ms. Neera Saggi and their relatives are interested in this resolution as it pertains to their appointment as Director of the Company.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Directors recommend passing of the Resolution at Item No. 6 as an Ordinary Resolution.

**For and on Behalf of the Board**

**S. Durgashankar**  
**Director**

Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018

CIN: U73100MH2011PTC212468

Email id: [iyer.gayathri@mahindra.com](mailto:iyer.gayathri@mahindra.com)

Tel: 022 2490 5828

Date: 4<sup>th</sup> May, 2021

Place: Mumbai





**Mahindra Integrated Business Solutions Pvt. Ltd.**

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CIN No.U73100MH2011PTC212468

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Tenth Annual Report along with the Standalone Audited Financial Statements of your Company for the Financial Year ended 31<sup>st</sup> March, 2021.

## FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Rs.in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Revenue from Operations	19,675.81	12,085.79
Other Income	157.97	16.04
Profit/ (Loss) before Depreciation, Interest and Tax	1050.93	547.70
Less: Depreciation	490.14	238.57
Profit/ (Loss) before Interest and Tax	560.79	309.13
Less: Interest expense	45.04	43.13
Profit/ (Loss) before Tax	515.75	266.00
Provision for Tax		
— Current Tax	178.85	126.46
— Deferred Tax	(8.19)	(54.22)
Profit/ (Loss) for the year after Tax	345.09	193.76
Other Comprehensive Income	10.19	(7.66)
Total comprehensive income for the year	10.19	(7.66)
Profit available for Appropriation	355.28	186.10
Less: Dividend on Equity Shares	22.50	22.50
Less: Income Tax on Dividend	-	4.62
Retained earnings brought forward from earlier years	881.91	722.92
Retained earnings arising due to business combination	12,359.18	-
Foreign Currency Translation Reserve	10.19	-
Retained Earnings carried to Balance Sheet	13,584.06	881.91
Net Worth	14,562.01	1031.91

No material changes and commitments have occurred after the closure of the financial year under review to which the financial statements relate till the date of this report which would affect the financial position of the Company.

## DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 0.511/- (previous year Rs. 1.50/-) per Equity Share i.e. 5.11 % (previous year 15%), on the fully paid-up equity shares for the financial year ended 31<sup>st</sup> March, 2021 aggregating to Rs. 50 Lakhs. The total equity dividend for the year under review will absorb a sum of Rs. 50 Lakhs (previous year Rs. 22.50 lakhs).

The above dividend, if approved by the members at the ensuing Annual General Meeting, shall be paid to those members, whose names appear in the Register of Members of the Company as on the

record date fixed for this purpose. i.e. 26<sup>th</sup> July, 2021, the date of the Annual General Meeting of the Company.

There is no unpaid dividend of earlier years which has been transferred or due to be transferred to Investor Education and Protection Fund during the year.

### **AMOUNTS TRANSFERRED TO RESERVES**

The Board of Directors have decided not to transfer any amount to General Reserves for the year under review.

### **OPERATIONS**

The Company is into Advisory and Business Process Management with expertise in the areas of Finance & Accounts, Human Resources and Customer Services processes for Clients within and outside the Mahindra Group. The lines of business of the Company include Accounts Payable, Accounts Receivable, GST services, Accounting services, Recruitment, Payroll services, Labour compliance services, Employee Benefits management, Staffing, Telemarketing and Tele-services, Digitization and Back-office services. The Company operates through its 3500+ people based out of its own offices and Client premises.

In the current situation caused by the COVID-19 pandemic, the Company has been well equipped to overcome this crisis with minimal business impact. The Company has ensured that all the employees are enabled to work from home to ensure delivery of the various service level agreements signed with respective clients. The Company does not envisage any impact on Revenue of Profits in the financial year 2021-22, although the Company does foresee probable delay in realization of invoicing, however this would not have any impact on the going concern assumption especially since the Company will continue to have a positive net worth and EBITDA margins.

### **OUTLOOK FOR THE CURRENT YEAR**

The Company is embarking on the journey of becoming full scale Finance & Accounts and Non-bill of Material Procurement Shared Services Centre for the Mahindra Group over the next 3 years from 2021-22 onwards hence, a large part of senior management focus would be in ensuring a smooth transition. The Company would continue to operate as an independent profit centre continuing its other business verticals and strategy for acquiring non-Mahindra Clients. The mandated Shared Services initiative will see a sizeable increase in the Revenues and Profits of the Company over current and future years and will also see a significant number of people moving from retained organizations into the Company. There would be significant investments in automation of processes and ensuring the employees are engaged in qualitative work vis-a-vis transaction processing.

### **SHARE CAPITAL**

During the year under review, the Authorized Share Capital of your Company has increased from Rs. 2,00,00,000 (Rupees Two Crores only) comprising of 20,00,000 (Twenty Lakhs) Equity Shares of the face value of Rs. 10 each to Rs. 10,00,00,000 (Rupees Ten Crores only) comprising 1,00,00,000

(One Crore only) Equity Shares of Rs. 10 each by creation of additional 80,00,000 (Eighty Lakhs) Equity Shares of Rs. 10 each. The Authorized Capital in the Capital Clause of the Memorandum of Association of your Company was consequently increased from Rs. 2 Crores to Rs. 10 Crores.

During the year, the paid-up share capital of the Company increased from Rs. 1,50,00,000 (Rupees One Crore Fifty Lakhs only) to Rs. 9,77,95,110 (Rupees Nine Crore Seventy-Seven Lakhs Ninety-Five Thousand One Hundred Ten only) consequent upon the preferential allotment of 82,79,511 (Eighty-Two Lakhs Seventy-Nine Thousand Five Hundred and Eleven) equity shares of Rs. 10 each at Rs. 216/- per share on preferential basis for consideration other than cash to Mahindra Vehicle Manufacturers Limited.

### **ACQUISITION OF THE BUSINESS OF US (MICHIGAN) BRANCH OFFICE OF MAHINDRA VEHICLE MANUFACTURERS LIMITED**

During the year under review, your Company acquired the business of US Branch office of Mahindra Vehicle Manufacturers Limited (“MVML”) based at Michigan, United States of America on slump sale basis by way of entering into Business Transfer Agreement which was made effective from 1<sup>st</sup> January, 2021.

The acquisition/purchase of undertaking of US Branch business of MVML based at Michigan was for consideration other than cash which was in lieu of allotment of 82,79,511 equity shares of Rs. 10 each of the Company to MVML on preferential basis at a price of Rs. 216/- per share aggregating to approx. Rs. 178.84 Crores.

### **EXPANSION/ CHANGE IN NATURE OF BUSINESS OF THE COMPANY**

The US branch business of MVML at Michigan being in the business of providing design, engineering and product development services and in order to facilitate the said acquisition, the Company amended its Memorandum of Association (MOA) by inclusion of object clause in the main objects of MOA thereby expanding its nature of business.

In March 2021, the Company also initiated establishment of another Branch office in UK which is in the space of design, engineering and product development services under the nomenclature/title - Mahindra Advanced Design Europe (M.A.D.E.), similar to business of US branch.

### **HOLDING COMPANY, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Your Company issued and allotted equity shares on preferential basis to Mahindra Vehicle Manufacturers Limited (MVML) for consideration other than cash, i.e. in lieu of acquisition/ purchase of undertaking of the business of Branch office of MVML at Michigan, US. Consequent to the said allotment, MVML is now the Holding Company effective from 1<sup>st</sup> January, 2021 and Mahindra and Mahindra Limited continues to be the Ultimate Holding Company of the Company. Earlier, the Company was a wholly owned subsidiary of Mahindra Holdings Limited.

The Company has no Subsidiaries, Associate or Joint Ventures as on 31<sup>st</sup> March, 2021.

During the year, none of the companies have become or ceased to be Subsidiaries, Associates or Joint Ventures.

## CONSOLIDATED FINANCIAL STATEMENTS

The requirements of consolidated financial statements are not applicable to your Company as your Company does not have any Subsidiaries, Associates and Joint Ventures.

## ALTERATION OF MEMORANDUM & ARTICLES OF ASSOCIATION

During the year under review, the Memorandum of Association of your Company was amended for the following purpose(s):-

**Capital Clause:** Increase in Authorized Share Capital from Rs. 2 Crores to Rs. 10 Crores which was approved at the Extra-Ordinary General Meeting held on 27<sup>th</sup> November, 2020;

**Objects Clause:** Inclusion of clause in main object clause of the Company to inter-alia include clause with respect to carrying on the business of design, engineering and product development services which was approved at the Extra-Ordinary General Meeting held on 3<sup>rd</sup> July, 2020.

## BOARD OF DIRECTORS

The Composition of the Board of Directors, as at the end of the Financial year under review, were as follows:

SR. NO.	NAME OF DIRECTORS	DIN	EXECUTIVE/NON-EXECUTIVE	INDEPENDENT/NON-INDEPENDENT
1.	Mr. S. Durgashankar (Chairman)	00044713	Non-Executive	Non-Independent
2.	Mr. Sanjay Joglekar	00209394	Non-Executive	Non-Independent
3.	Mr. Vinay Deshpande	01904423	Non-Executive	Non-Independent
4.	Mr. Rajeshwar Tripathi	06734734	Non-Executive	Non-Independent
5.	Mr. Rahul Asthana*	00234247	Non-Executive	Independent
6.	Ms. Neera Saggi*	00501029	Non-Executive	Independent (Women)

\*Appointed as Additional Director w.e.f. 28<sup>th</sup> December, 2020

Pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013, Mr. Rahul Asthana (DIN: 00234247) and Ms. Neera Saggi (DIN: 00501029) were appointed as Additional Directors in the capacity of Non-Executive Independent Directors with effect from 28<sup>th</sup> December, 2020, for a consecutive period of 3 years i.e. upto 27<sup>th</sup> December, 2023.

The declaration under Section 149(7) of the Companies Act, 2013 has been received from Mr. Rahul Asthana and Ms. Neera Saggi, Independent Directors, to the effect that they meet the criteria of

Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made thereunder, and they are independent of the management of the Company.

Mr. Rahul Asthana and Ms. Neera Saggi have also registered themselves with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs (“IICA”) in compliance with Rule 6(1) (b) of the Companies (Appointment and Qualification of Directors) Rules, 2019. Mr. Rahul Asthana and Ms. Neera Saggi are exempted from appearing for Online Proficiency test as per Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Mr. Rahul Asthana and Ms. Neera Saggi possess the requisite expertise, integrity, proficiency and experience to act as Independent Directors of the Company.

The Company has received notice(s) in writing as per Section 160 of the Companies Act 2013, from a member signifying its intention to propose Mr. Rahul Asthana and Ms. Neera Saggi as candidates for office of Directors at the 10<sup>th</sup> Annual General Meeting (“AGM”) of your Company. Your Directors recommend for your consideration at the 10<sup>th</sup> AGM, appointment of Mr. Rahul Asthana and Ms. Neera Saggi as Independent Directors of the Company for a period of three years commencing from 28<sup>th</sup> December, 2020 upto 27<sup>th</sup> December, 2023.

Mr. S Durgashankar (DIN: 00044713) retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Company has received declarations from all the Directors including the Independent Directors in Form DIR-8 as prescribed under Section 164 of the Companies Act, 2013 read with the Rule 14(1) of Companies (Appointment and Qualifications of Directors) Rules, 2014 that they are not disqualified from being appointed as Directors of the Company pursuant to Section 164 of the Companies Act, 2013.

## **EVALUATION OF PERFORMANCE OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013, the Board carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board’s functioning and the evaluation was carried out based on responses received from Directors.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Non-Executive Directors. The period of evaluation as carried out/participated by Mr. Rahul Asthana and Ms. Neera Saggi, Independent Directors of the Company were from 28<sup>th</sup> December, 2020 upto 31<sup>st</sup> March, 2021, i.e. from effective date of their appointment.

The Directors expressed their satisfaction with the evaluation process.

## CODES OF CONDUCT

The Company has adopted Codes of Conduct for Corporate governance of its Directors, Senior Management Personnel and Employees (“Codes”) enunciating the underlying principles governing the conduct of its business and seeking to reiterate the fundamental precept that good governance must be an integral part of its ethos.

Your Company has, for the year under review, received declarations from Directors, Senior Management Personnel and Employees, affirming compliance with the respective Codes.

## BOARD MEETINGS AND GENERAL MEETINGS

Your Board of Directors met seven times during the year under review i.e. on 22<sup>nd</sup> April, 2020, 29<sup>th</sup> June, 2020, 22<sup>nd</sup> July, 2020, 21<sup>st</sup> October, 2020, 12<sup>th</sup> November, 2020, 21<sup>st</sup> January, 2021 and 3<sup>rd</sup> March 2021. The maximum interval between any two meetings did not exceed 120 days.

During the financial year under review, the attendance of the Directors at the meetings of the Board were as follows:

Sr. No.	Name of Director	No. of Meeting Attended (out of 7 meetings)
1.	Mr. S. Durgashankar	7
2.	Mr. Sanjay Joglekar	7
3.	Mr. Vinay Deshpande	7
4.	Mr. Rajeshwar Tripathi	7
5.	Mr. Rahul Asthana*	2 (out of 2 meetings)
6.	Ms. Neera Saggi*	2 (out of 2 meetings)

\*Appointed as Additional Directors w.e.f. 28<sup>th</sup> December, 2020

The 9<sup>th</sup> Annual General Meeting of the Company was held on 22<sup>nd</sup> July, 2020. Two Extra-ordinary General meeting of the Company were held on 3<sup>rd</sup> July, 2020 and 27<sup>th</sup> November, 2020.

## DIRECTOR’S RESPONSIBILITY STATEMENT:

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors based on the representations received from the Operating Management, and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- Accounting policies have been selected in consultation with the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the Profit of the Company for the year ended on that date;

- (c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **APPOINTMENTS OF/ CHANGES IN KEY MANAGERIAL PERSONNEL, IF ANY**

The provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

However, considering the size, complexity of operations and as a good governance practice, the Board at its volition appointed Mr. Richard De Souza as the Chief Executive officer and Key Managerial Personnel of the Company and Mr. Riten Chakrabarty as Chief Financial Officer and Key Managerial Personnel of the Company, effective from 6<sup>th</sup> May, 2019 as per the provisions of Section 203 of the Companies Act, 2013 despite the non-requirement of the said provisions.

#### **COMMITTEES OF THE BOARD**

The following are the details of Committees of the Board: -

During the year under review, the turnover of the Company as per audited financials as on 31<sup>st</sup> March, 2020 crossed the threshold limit of Rs. 100 Crores. The Company being a wholly-owned subsidiary of Mahindra Holdings Limited and being entitled to exemption of the aforesaid provisions, i.e. appointment of Independent Directors, constitution of Audit Committee and constitution of Nomination & Remuneration Committee vide MCA notifications dated 5<sup>th</sup> July, 2017 and 13<sup>th</sup> July, 2017, availed the said exemption at its meeting held on 22<sup>nd</sup> April, 2020.

Consequent to Mahindra Vehicle Manufacturers Limited becoming the Holding Company effective from 1<sup>st</sup> January, 2021, the said exemptions entitled to a Wholly-owned subsidiary ceased to exist.

#### **AUDIT COMMITTEE**

The Board of Directors had pursuant to the provisions of section 177 of the Companies Act, 2013, constituted an Audit Committee with effect from 28<sup>th</sup> December, 2020.

The Audit Committee comprises of the following three directors with Independent Directors forming a majority:

Mr. S Durgashankar – Chairman of the Committee/Non-executive Director  
Mr. Rahul Asthana – Independent Director  
Ms. Neera Saggi – Independent Director



The Audit Committee met two times during the year under review viz. on 21<sup>st</sup> January, 2021 and 3<sup>rd</sup> March, 2021.

During the year under review, the attendance at the meetings of the Audit Committee were as follows:

Name of Director	Designation	No. of meetings attended (out of 2 meetings)
Mr. S Durgashankar	Chairman	2
Mr. Rahul Asthana	Member	2
Ms. Neera Saggi	Member	2

All the recommendations of the Audit Committee were accepted by the Board.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors had pursuant to the provisions of section 178 of the Companies Act, 2013, constituted Nomination and Remuneration Committee (“NRC”) with effect from 28<sup>th</sup> December, 2020.

The Nomination and Remuneration Committee currently comprises of the following three directors:

Mr. Rahul Asthana – Chairman of the Committee/Independent Director

Mr. S Durgashankar – Non-executive Director

Ms. Neera Saggi – Independent Director

All the members of the Committee are Non-Executive Directors out of which not less than one half of the members are Independent Directors.

The Nomination and Remuneration Committee met once during the year under review viz. on 21<sup>st</sup> January, 2021 which was attended by all the Members.

#### **MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors of the Company met once on 17<sup>th</sup> March, 2021 without the presence of Non-Independent Directors or Chief Executive Officer or Chief Financial Officer or any other Management Personnel.

The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **VIGIL MECHANISM**

The provisions relating to Vigil Mechanism enumerated under Section 177 of the Companies Act, 2013 are not applicable to your Company.

## **STATUTORY AUDITORS & AUDIT REPORT**

Messrs B. K. Khare & Co., Chartered Accountants, (ICAI Registration Number 105102W) have been appointed as the Statutory Auditors of the Company at the 8<sup>th</sup> Annual General Meeting (“AGM”) held on 24<sup>th</sup> July, 2019 for a period of 5 years from the conclusion of the 8<sup>th</sup> AGM till the conclusion of the 13<sup>th</sup> AGM of the Company to be held in the year 2024.

As required under the provisions of Section 139(1) of the Companies Act, 2013, the Company has received certificate to the effect that they continue to satisfy the criteria provided in Section 141 of the Companies Act, 2013 in accordance with the Companies Act, 2013 and the Rules framed thereunder.

The Auditors’ Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

## **SECRETARIAL AUDITOR & INTERNAL AUDITOR**

The requirements of having Secretarial Auditor and Internal Auditor are not applicable to your Company.

However, from a good governance perspective and considering the nature, size and operations of the Company, the Company considered it appropriate to have the Internal Audit from FY 21-22 onwards and hence, the Board at its volition appointed Mr. K N Vaidyanathan as Internal Auditor of the Company for the financial year 2021-2022 as per Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

## **MAINTENANCE OF COST RECORDS & COST AUDITOR**

The Company is not required to maintain cost accounts and records as required under Section 148(1) of the Companies Act, 2013 and rules made thereunder and hence appointment of Cost Auditor is also not applicable to your Company.

## **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Board/ Audit Committee pursuant to Section 143(12) of the Companies Act 2013.

## **POLICY ON CRITERIA FOR APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

In line with the principles of transparency and consistency and upon recommendation of the Nomination and Remuneration Committee and approved by the Board at its meeting held on 21<sup>st</sup> January, 2021, your Company has adopted the following Policies as required under Section 178(3) of the Companies Act, 2013:

- Policy on the appointment of Directors & Senior Management and Succession Planning for Orderly Succession to the Board & the Senior Management; and
- Policy for remuneration of the Directors, Key Managerial Personnel and other employees

The aforesaid policies are provided as **Annexure IA and Annexure IB**, respectively to this report and is also available on our website at - <https://www.mibs.in/policies>.

## **RISK MANAGEMENT POLICY**

Your Company has developed Risk Management Policy which inter-alia includes therein identification of elements of risk which in the opinion of Board may threaten the existence of the Company.

The risk management policy sets out the objectives and includes identification of key risks and their mitigation plans. The Board reviews the Risk Management framework including significant risks, if any, and steps taken to mitigate the same, on quarterly basis. There are no risks that may threaten the existence of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions relating to Corporate Social Responsibility enumerated under section 135 of the Companies Act, 2013 are not applicable to your Company.

## **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Your Company conducts reviews, at regular intervals, to assess the adequacy of financial and operating controls for the business of the Company. Statutory Auditors have audited the Internal Financial Controls over Financial Reporting of the Company as of 31<sup>st</sup> March, 2021. Corrective actions, if required, are being taken up immediately to ensure that the Internal Financial Control system remains robust and as an effective tool.

## **PEOPLE**

Your Company has over **3973** people on its payroll as at 31<sup>st</sup> March, 2021. Your Company acknowledges its commitment to their regional development and improving their standard of living.

## **SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE**

Your Company maintains a good health and safety record in line with the Health and Wellness Policy of the Mahindra Group.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Account) Rules, 2014, is furnished as **Annexure II** to this Report.

## **DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014**

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

## **PUBLIC DEPOSITS**

Your Company had not accepted any deposits from the public, or its employees, within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review and there is no amount which qualifies as deposit outstanding as on the date of balance sheet and not in compliance with the requirement of chapter V of the Companies Act, 2013.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Your Company has neither given any loan, guarantee or provided any security in connection with a loan nor made any investment pursuant to Section 186 of the Companies Act, 2013 during the year under review.

Particulars of Investments including such investments made pursuant to Section 186 of the Companies Act, 2013 as on 31<sup>st</sup> March, 2021 is provided under Note 8 of the financial statements.

Your Company has not made or taken any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable to the ultimate Holding Company, Mahindra & Mahindra Limited.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All the Related Party Transactions entered, during the year, referred to in sub section (1) of section 188 of the Companies Act, 2013, and rules made thereunder, were in ordinary course of business and at arm's length basis.

Particulars of material contracts or arrangements or transactions with related parties, required to be furnished in terms of Section 134 of Companies Act, 2013 are furnished in form AOC – 2 as **Annexure III** to this Report.

## **ANNUAL RETURN**

As per the provisions of section 92(3) and 134(3)(a) read with Rule 11 of the Companies (Management and Administration) Rules, 2014 as recently amended on 5<sup>th</sup> March 2021, every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report. Hence, it is no longer required to attach the extract of the Annual Return i.e. Form MGT-9 in the Board's report.

A copy of the Annual Return of the Company for the year ended 31<sup>st</sup> March, 2021 has been placed on the website of the Company and can be accessed at the Web-link: - <https://www.mibs.in/audited-report>.

## **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is in compliance with the provisions of constitution of the Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaints were received as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares and Employees Stock Option Scheme) to employees of the Company under any Scheme.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
4. Voting rights which are not exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Companies Act, 2013.

5. There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year;
6. There was no one time settlement of loan obtained from the Banks or Financial Institutions.

## **COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2**

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively, have been duly complied by the Company.

## **SUSTAINABILITY**

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

## **ACKNOWLEDGEMENTS**

Your Directors are pleased to take this opportunity to thank the bankers, customers, vendors and all the other stakeholders for their co-operation to the Company during the year under review.

**For and on behalf of the Board**

**S. Durgashankar**  
Chairman

**Mumbai, 4<sup>th</sup> May, 2021**

## ANNEXURE I TO THE DIRECTORS' REPORT

### ANNEXURE IA

## POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

### DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“**Board**” means Board of Directors of the Company.

“**Company**” means Mahindra Integrated Business Solutions Private Limited.

“**Committee(s)**” means Committees of the Board for the time being in force.

“**Employee**” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“**HR**” means the Human Resource department of the Company.

“**Key Managerial Personnel**” (**KMP**) refers to key managerial personnel as defined under the Companies Act, 2013 and as amended from time to time.

“**Nomination and Remuneration Committee**” (**NRC**) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“**Senior Management**” means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive Directors including the functional heads.

### I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of Director.
  1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
  2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
  3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.

- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or the Managing Director or any other Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

## REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

## SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons who are qualified to become Directors and who may be appointed in senior management team in accordance with the criteria as enumerated above.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman or Managing Director based on the business need and the suitability of the candidate.

## II. SUCCESSION PLANNING:

### Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Mahindra Group to ensure the implementation of the strategic business plans of the Group and the Group Aspiration of being among the Top 50 globally most-admired brands by 2021.

### Board

The successors for the Independent Directors shall be identified by the NRC atleast one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.



### Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

Significantly, we have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels:

1. Emergency successor
2. Ready now
3. Ready in 1 to 2 years
4. Ready in 2 to 5 years
5. Ready in more than 5 years

in order to ensure talent readiness as per a ladder approach.

### Policy Statement

The Talent Management framework of the Mahindra Group has been created to address three basic issues:

- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

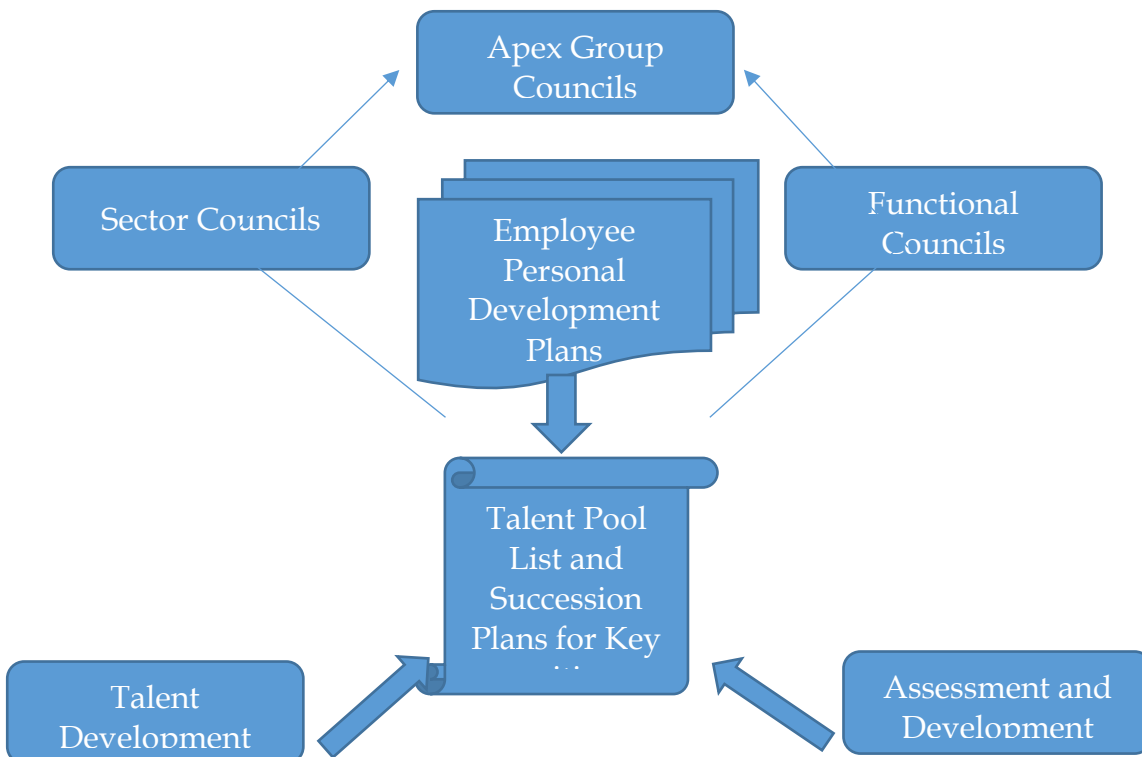
The framework lays down an architecture and processes to address these questions using the **3E** approach:

- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage
- b) **Exposure** i.e. coaching and mentoring – 20% weightage
- c) **Education** i.e. learning and development initiatives – 10% weightage

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process-oriented system which is driven by an interactive and collaborative network of Talent Councils at the Group and Sector Levels. These Talent Councils, which consist mainly of senior business leaders supported by HR, are a mix of Sector (Business) and Functional Councils coordinated by an Apex Talent Council, headed by the Group Chairman. The Apex

Council reviews the work done by the Talent Councils and facilitates movement of talent across Sectors. The Sector / Functional Councils meet regularly throughout the year and the Apex Council interacts with each one of them separately once a year, and in addition conducts an integrated meeting where the Chairpersons of all the Councils are present.

The Talent Management process can be represented pictorially as under:



The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the 3E approach mentioned above.

For and on behalf of the Board

**S. Durgashankar**  
Chairman

Mumbai, 4<sup>th</sup> May, 2021

## **ANNEXURE IB**

### **POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

#### **Purpose**

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Integrated Business Solutions Private Limited.

#### **Policy Statement**

We have a well-defined Compensation policy for Directors, Key Managerial Personnel and all other employees. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular benchmarking over the years with relevant players across the industry we operate in.

#### **Non-Executive Including Independent Directors**

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

#### **Executive Directors**

The remuneration to Managing Director and Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance.

## **Key Managerial Personnel (KMPs)**

The terms of remuneration of KMPs shall be determined by the Board and revised either by any Director or such other person as may be authorized by the Board from time to time. The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The remuneration to Directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## **Employees**

We follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

- a. For Leadership Team, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.
- b. For all other employees, we benchmark with a set of comparators from the same industry.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality

Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors & Promoters) in accordance with the ESOP Scheme of the Company and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board

**S. Durgashankar**  
Chairman

**Mumbai, 4<sup>th</sup> May, 2021**

**ANNEXURE II TO THE BOARD'S REPORT**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**PARTICULARS AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

**(A) Conservation of energy**

- (i) the steps taken or impact on conservation of energy– Necessary measures are taken to contain and bring about saving in power consumption, wherever practicable.
- (ii) the steps taken by the company for utilizing alternate sources of energy– Not applicable in view of the nature of activities carried on by the Company.
- (iii) the capital investment on energy conservation equipment– Not applicable in view of the nature of activities carried on by the Company.

**(B) Technology absorption**

- (i) the efforts made towards technology absorption– Not applicable in view of the nature of activities carried on by the Company.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution– Not applicable in view of the nature of activities carried on by the Company.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not applicable in view of the nature of activities carried on by the Company
  - (a) the details of technology imported - Nil
  - (b) the year of import - Nil
  - (c) whether the technology been fully absorbed - Nil
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Nil.
- (iv) the expenditure incurred on Research and Development– Not applicable in view of the nature of activities carried on by the Company.



Mahindra Integrated Business Solutions Pvt. Ltd.  
5th Floor, Mahindra Information Technology Centre,  
Akurli Road, Kandivli East, Mumbai – 400 101,  
Maharashtra, India.  
Tel : +91 22 68135005  
Website : [www.m-i-b-s.com](http://www.m-i-b-s.com)  
CIN No.U73100MH2011PTC212468

**(C) Foreign exchange earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year: Rs.1,08,65,674/-  
The Foreign Exchange outgo during the year in terms of actual outflows: Nil

For and on behalf of the Board

**S. Durgashankar**  
**Chairman**

**Mumbai, 4<sup>th</sup> May, 2021**

**ANNEXURE III TO THE BOARD'S REPORT**  
**FORM NO. AOC – 2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis —**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis —**

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2021 are as follows:

Sr. No.	Name(s) of the Related Party & nature of relationship	Nature of contracts/ arrangements/ transactions	Transaction Value (in Rs.)	Duration of contracts/ arrangements/ transactions	Salient terms of contracts or arrangements	Date of approval by the Board, if any	Amount paid as advances, if any
1.	Mahindra & Mahindra Limited (Ultimate Holding Company)	Rendering of services - Shared Services Agreements	1,24,90,35,474 /-	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021	The related party transactions (RPTs) entered during the year were in ordinary course of business and on arm's length basis	Refer Note below	No
2.	Mahindra & Mahindra Limited (Ultimate Holding Company)	Receiving of Services	4,43,19,377/-	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021		Refer Note below	No

3.	Mahindra & Mahindra Limited (Ultimate Holding Company)	Repayment of Inter-Corporate Deposit	50,00,000/-	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021	The related party transactions (RPTs) entered during the year were in ordinary course of business and on arm's length basis	Refer below	Note	No
4.	Mahindra & Mahindra Limited (Ultimate Holding Company)	Interest paid on Inter-Corporate deposit	2,24,281/-	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021		Refer below	Note	No
5.	Mahindra Holdings Limited (Holding Company)	Dividend Paid	22,50,000/-	Dividend for financial year 2019-20 was paid in Financial year 2020-21		Refer below	Note	No



6.	Mahindra Vehicle Manufactures Limited	Rendering of Services	18,71,19,501/-	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021	The related party transactions (RPTs) entered during the year were in ordinary course of business and on arm's length basis	Refer below	Note	No
7	Mahindra & Mahindra Financial Services Ltd.	Rendering of Services	13,71,69,252/-	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021		Refer below	Note	No

**Note:** The above referred transactions are at arm's length and in the ordinary course of business. Accordingly, approval of the Board of Directors is not applicable and not required as per proviso to sub-section (1) of Section 188 of the Companies Act, 2013. However, necessary approvals were granted by the Audit Committee from time to time.

**For and on behalf of the Board**

**S. Durgashankar**  
Chairman

**Mumbai, 4<sup>th</sup> May, 2021**

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Mahindra Integrated Business Solutions Private Limited**

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of Mahindra Integrated Business Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Michigan, USA.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit, and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 (the Act) (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

#### Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, but does not include the Ind AS Financial Statements and our Auditors' Report thereon.

Our opinion on the Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our 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 for the Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, 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 management 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.

#### Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standard on Auditing 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 based on these Ind AS financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that are sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible

for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

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.

#### Other Matters

We did not audit the financial statements of one branch included in the standalone financial statements of the company whose financial statements reflect total assets of Rs.183.31 crores as at 31st March 2021 and the total revenue of Rs. 54.10 crores for the year ended on that date, as considered in the standalone financial statements of this branch has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
  - (h) 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 will impact its financial positions.
    - 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.

For **B.K. Khare & Co.**  
Chartered Accountants  
Firm's Registration No. 105102W

**Aniruddha Joshi**  
Partner  
Membership No. 040852  
UDIN: 21040852AAAABG4763  
Mumbai, May 4, 2021

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mahindra Integrated Business Solutions Private Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of 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 Ind AS 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 system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**  
Chartered Accountants  
Firm’s Registration No. 105102W

**Aniruddha Joshi**

Partner

Membership No. 040852  
UDIN: 21040852AAAABG4763  
Mumbai, May 4, 2021

## ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the financial statements of **Mahindra Integrated Business Solutions Private Limited** for the year ended March 31, 2021

### **Annexure to the Auditor's Report referred to in our report of even date:**

- 1) i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
- iii) The Company does not have immovable property.
- 2) According to the information and explanations given to us, the Company does not have inventory, therefore the provisions of para 3(ii) of the Order are not applicable to the Company.
- 3) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other related parties covered in the register maintained under section 189 of the Act.
- 4) The Company has not granted any loan, made investments or given guarantees during the year. Hence. the provisions of section 185 and section 186 of the Act are not applicable to the Company. We are informed that the company has not given any security during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148(1) of the Act.
- 7) i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, GST and other statutory dues applicable to it. According to information and explanation given to us, no undisputed amounts in respect of the above were outstanding, as on March 31, 2021 for a period of more than 6 months from the date they become payable.
- ii) There are no dues of income tax, sales tax, service tax, duty of customs, and duty of excise or value added tax, GST and cess which have not been deposited on the account of any dispute.
- 8) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company has not raised any money through debentures.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the money raised by the Company by the way of term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) Being the Company is a private company, the provisions of Section 197 of the Companies Act, 2013 and the provisions of para 3(xi) of the Order regarding payment of managerial remuneration are not applicable for the Company.
- 12) The Company, not being a Nidhi Company, the provisions of para 3(xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**  
Chartered Accountants  
Firm's Registration No. 105102W

**Aniruddha Joshi**  
Partner  
Membership No. 040852  
UDIN: 21040852AAAABG4763  
Mumbai, May 4, 2021

**BALANCE SHEET AS AT MARCH 31, 2021**

Particulars	Note	Rs. In lakhs	
		As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment .....	3	3,132.39	513.69
(b) Capital Work-in-Progress .....		–	63.00
(c) Other Intangible Assets .....	4	76.66	18.35
(d) Financial Assets			
(i) Other Financial Assets .....	5	194.40	84.40
(e) Deferred Tax Assets (Net) .....	7	155.93	150.71
(f) Income Tax assets (net) .....		1,189.25	1,195.97
(g) Other Non-current Assets .....	6	2.55	7.20
<b>SUB-TOTAL</b> .....		<b>4,751.18</b>	<b>2,033.31</b>
<b>CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Investments .....	8	13.98	50.87
(ii) Trade Receivables .....	9	11,477.22	687.44
(iii) Cash and Cash Equivalents .....	10	3,926.20	475.73
(iv) Other Bank Balances .....	11	264.72	9.82
(v) Other Financial Assets .....	5	1.28	0.06
(b) Other Current Assets .....	6	598.02	40.71
<b>SUB-TOTAL</b> .....		<b>16,281.42</b>	<b>1,264.63</b>
Non-Current Assets Classified as Held for Sale		–	–
<b>TOTAL ASSETS</b> .....		<b>21,032.60</b>	<b>3,297.94</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital .....	12	977.95	150.00
(b) Other Equity .....		13,584.06	881.91
<b>SUB-TOTAL</b> .....		<b>14,562.01</b>	<b>1,031.91</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(iii) Other Financial Liabilities .....	13	752.54	378.80
(b) Provisions .....	14	270.15	220.26
<b>SUB-TOTAL</b> .....		<b>1,022.69</b>	<b>599.06</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings .....	17	–	50.00
(ii) Trade Payables .....	15		
Total outstanding dues of Micro and small Enterprises .....		7.31	19.94
Total outstanding dues of creditors other than Micro and small Enterprises (including acceptances) .....		1,774.48	894.54
(iii) Other Financial Liabilities .....	13	590.79	24.25
(b) Provisions .....	14	45.46	45.48
(c) Other Current Liabilities .....	16	3,029.86	632.76
<b>SUB-TOTAL</b> .....		<b>5,447.90</b>	<b>1,666.97</b>
<b>TOTAL LIABILITIES</b> .....		<b>21,032.60</b>	<b>3,297.94</b>

The accompanying notes 1 to 32 are an integral part of the Financial Statements  
In terms of our report attached.

**For B. K. Khare & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**S. Durgashankar**  
Director  
DIN No.00044713

**Rahul Asthana**  
Director  
DIN No. 00234247

**Aniruddha Joshi**  
Partner  
Membership No. 040852

**Neera Saggi**  
Director  
DIN No. 00501029

Place: Mumbai  
Date: May 4, 2021

Place: Mumbai  
Date: May 4, 2021

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note	For the Year 2020-21	Rs. In lakhs For the Year 2019-20
<b>Continuing Operations</b>			
I Revenue from operations .....	18	19,675.81	12,085.79
II Other Income .....	19	157.97	16.04
<b>III Total Revenue (I + II) .....</b>		<b>19,833.78</b>	<b>12,101.83</b>
<b>IV EXPENSES</b>			
(a) Employee benefit expense .....	20	14,738.39	9,348.31
(b) Finance costs .....	21	45.04	43.13
(c) Depreciation and amortisation expense .....	22	490.14	238.57
(d) Other expenses .....	23	4,044.46	2,205.82
<b>V Total Expenses (V) .....</b>		<b>19,318.03</b>	<b>11,835.83</b>
<b>Profit/(loss) before exceptional items and tax (I - IV) .....</b>		<b>515.75</b>	<b>266.00</b>
<b>Exceptional Items .....</b>		<b>-</b>	<b>-</b>
<b>VI Share of profit/(loss) of joint ventures and associates .....</b>		<b>-</b>	<b>-</b>
<b>VII Profit/(loss) before tax (VII - VIII) .....</b>		<b>515.75</b>	<b>266.00</b>
<b>VIII Tax Expense</b>			
(1) Current tax .....		178.85	126.46
(2) Deferred tax .....		(8.19)	(54.22)
<b>Total tax expense .....</b>		<b>170.66</b>	<b>72.24</b>
<b>IX Profit/(loss) after tax from continuing operations (IX - X) .....</b>		<b>345.09</b>	<b>193.76</b>
<b>X Discontinued Operations</b>			
(1) Profit/(loss) from discontinued operations .....		-	-
(2) Tax Expense of discontinued operations .....		-	-
<b>XI Profit/(loss) after tax from discontinued operations (XII + XIII) .....</b>		<b>-</b>	<b>-</b>
<b>XII Profit/(loss) for the period (XI + XIV) .....</b>		<b>345.09</b>	<b>193.76</b>
<b>XIII Other comprehensive income</b>			
<b>A (i) Items that will not be reclassified to profit or loss .....</b>		<b>10.19</b>	<b>(7.66)</b>
(a) Remeasurements of the defined benefit liabilities/(asset) .....		13.17	(10.41)
(ii) (b) Income tax relating to items that will not be reclassified to profit or loss .....		(2.98)	2.75
<b>XIV Total comprehensive income for the period (XII + XIII) .....</b>		<b>355.28</b>	<b>186.10</b>
<b>XV Earnings per equity share:</b>			
(1) Basic .....	25	9.95	12.41
(2) Diluted .....	25	9.95	12.41

The accompanying notes 1 to 32 are an integral part of the Financial Statements

In terms of our report attached.

**For B. K. Khare & Co.**

Chartered Accountants

Firm's Registration No.: 105102W

**Aniruddha Joshi**

Partner

Membership No. 040852

Place: Mumbai

Date: May 4, 2021

**For and on behalf of the Board of Directors**

**S. Durgashankar**

Director

DIN No.00044713

**Neera Saggi**

Director

DIN No. 00501029

Place: Mumbai

Date: May 4, 2021

**Rahul Asthana**

Director

DIN No. 00234247

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. In lakhs	
	For the year 2020-21	For the year 2019-20
<b>Cash flow from operating activities</b>		
Profit after tax	345.09	193.76
Adjustments for:		
Income tax expenses .....	170.66	72.24
Finance cost .....	45.04	2.20
Interest income .....	(74.36)	(8.82)
Dividend income .....	(0.49)	(2.77)
Depreciation and amortisation expenses .....	490.14	238.57
Gain on sale of assets .....	(44.12)	-
Write down of CWIP .....	44.51	
Write back of liabilities .....	(34.28)	
<b>Operating profit before working capital changes .....</b>	<b>942.19</b>	<b>495.18</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade & other receivables .....	54.28	(85.98)
(Increase)/decrease in trade & other payables .....	423.53	601.63
<b>Cash generated from operations .....</b>	<b>1,420.00</b>	<b>1,010.83</b>
Income taxes paid (net) .....	(117.95)	(698.56)
<b>Net cash used in operating activities .....</b>	<b>1,302.05</b>	<b>312.27</b>
<b>Cash flow from investing activities</b>		
Dividend received .....	-	
Interest income received .....	14.20	9.47
Proceeds from disposal of Mutual Fund investments .....	37.38	44.37
Proceeds from disposal of property, plant & equipment .....	49.26	-
Payments for acquisition of property, plant & equipment and intangible assets .....	(44.03)	(71.65)
Maturity/(Investments) of Fixed Deposits .....	(254.90)	152.04
<b>Net cash used in investing activities .....</b>	<b>(198.09)</b>	<b>134.23</b>
<b>Cash flow from financing activities</b>		
Interest paid on borrowings .....	(2.24)	(2.20)
Proceeds from borrowings .....	-	50.00
Repayment of borrowings .....	(50.00)	-
Repayments of lease liabilities (including interest thereon) .....	(304.20)	(166.85)
Dividend paid (incl dividend distribution tax till previous year) .....	(22.50)	(27.12)
<b>Net cash generated from financing activities .....</b>	<b>(378.94)</b>	<b>(146.17)</b>
<b>Net (decrease)/increase in cash and cash equivalents .....</b>	<b>725.02</b>	<b>300.33</b>
Cash and cash equivalents at the beginning of the year .....	475.73	175.40
add acquisition date balance .....	2,715.88	
add Exchange Gain/(loss) .....	9.57	
<b>Total cash and cash equivalents at the end of the year .....</b>	<b>3,926.20</b>	<b>475.73</b>

In terms of our report attached.

For B. K. Khare & Co.  
Chartered AccountantsAniruddha Joshi  
Partner  
Membership No. 040852Place: Mumbai  
Date: May 4, 2021

For and on behalf of the Board of Directors

S. Durgashankar  
Director  
DIN No.00044713Neera Saggi  
Director  
DIN No. 00501029Place: Mumbai  
Date: May 4, 2021Rahul Asthana  
Director  
DIN No. 00234247



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

### a. Equity share capital

	Rs. In lakhs
<b>As at April 1, 2017</b>	150.00
Changes in equity share capital during the year	—
<b>As at March 31, 2018</b>	150.00
Changes in equity share capital during the year	—
<b>As at March 31, 2019</b>	150.00
Changes in equity share capital during the year	—
<b>As at March 31, 2020</b>	150.00
Changes in equity share capital during the year	827.95
<b>As at March 31, 2021</b>	977.95

### b. Other Equity

Particulars	Rs. In lakhs					Total
	Reserves and Surplus			Items of other comprehensive income		
	Retained Earnings	General Reserve	Capital Reserve	Remeasurements of the defined benefit liabilities/ (asset)	Foreign currency translation reserve	
<b>Balance as at April 1, 2019</b>	707.22	—	—	15.70	—	722.92
Profit for the year	193.76	—	—	—	—	193.76
Other comprehensive income/(loss) for the year	—	—	—	(7.66)	—	(7.66)
<b>Total comprehensive income/(loss) for the year</b>	193.76	—	—	(7.66)	—	186.10
<b>Movement</b>						
Final dividend	(22.50)	—	—	—	—	(22.50)
Tax on final dividend	(4.62)	—	—	—	—	(4.62)
<b>Balance as at March 31, 2020</b>	873.86	—	—	8.04	—	881.91
Profit for the year	345.09	13,187.13	—	—	10.19	13,542.41
Other comprehensive income/(loss) for the year	—	—	—	10.19	—	10.19
<b>Total comprehensive income/(loss) for the year</b>	345.09	13,187.13	—	10.19	10.19	13,552.60
<b>Movement</b>						
Issue of shares	—	(827.95)	—	—	—	(827.95)
Final dividend	(22.50)	—	—	—	—	(22.50)
Tax on final dividend	—	—	—	—	—	—
<b>Balance as at March 31, 2021</b>	<b>1,196.45</b>	<b>12,359.18</b>	<b>—</b>	<b>18.23</b>	<b>10.19</b>	<b>13,584.06</b>

In terms of our report attached.

**For B. K. Khare & Co.**

Chartered Accountants

Firm's Registration No.: 105102W

**Aniruddha Joshi**

Partner

Membership No. 040852

Place: Mumbai

Date: May 4, 2021

**For and on behalf of the Board of Directors**

**S. Durgashankar**

Director

DIN No.00044713

**Neera Saggi**

Director

DIN No. 00501029

Place: Mumbai

Date: May 4, 2021

**Rahul Asthana**

Director

DIN No. 00234247

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note No.

#### 1 Company overview

Mahindra Integrated Business Solutions Private Limited is a Private Limited Company incorporated and domiciled in India on 18<sup>th</sup> January 2011 and it started its operations from 1<sup>st</sup> May 2011. The Company's registered office is at Mumbai, Maharashtra, India. These financial statements correspond to the stand alone financial statements of the Company. The Company is rendering back office accounting & payroll services. Currently though a captive service provider, it intends to extend the services to corporate sector at large. During the year the Company has started rendering new activities in Customer Retention, renewal and verification, KYC fulfillment, setting up and re-organising and customer inward call center.

The immediate parent Company is Mahindra Holdings Limited. and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in India.

#### 2.1 Statement of compliance and basis for preparation

a. These 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.

#### b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest crore/lakhs, unless otherwise indicated.

#### c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

#### d. Use of judgements and estimates

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

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of defined benefit obligation
- provision for warranty claims
- income taxes - current and deferred taxes
- fair value of unlisted securities
- impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

#### e. Measurement of fair values

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

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values

and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

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

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

#### f. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

#### 2.2 Significant accounting policies

##### a. Operating Cycle:

Assets and Liabilities are classified as Current or Non – Current as per the provisions of the Schedule III notified under the Companies Act, 2013 and Company's normal operating cycle. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non – Current classification of Assets & Liabilities.

##### b. Property, plant and equipment:

- i. Property, plant and equipment are carried at their original cost less accumulated depreciation and accumulated impairment losses.
- ii. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life used to determine depreciation is:

Building	24 - 30 years
Leasehold improvements	3 - 15 years or the lease period
Machinery & equipment	3 - 10 years
Furniture & fixtures	5 - 10 years
Computers	3 - 5 years
Vehicles	5 years

- iii. 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.

##### c. Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life considered for assets in this class is 3 - 5 years.

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

d. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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 a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined 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.

d. Investments:

Investment held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Current investments are valued at the lower of cost and fair value.

e. Revenue Recognition:

- i. Sale of services is recognized when the services are rendered.
- ii. Revenues on time & material contracts are recognized as the related services are performed and revenues from the end of the last billing to the Balance sheet date is recognized as Unbilled revenues. The unbilled revenues primarily consists of cost which needs to be billed to client on cost plus margin basis where there is no uncertainty as to measurement or collectability of consideration.
- iii. Fee based income is accounted for on achieving specified milestones as per mutual agreement.
- iv. Further, revenue is recognised when there is no uncertainty as to the measurement or collectability of consideration.
- v. Interest income  
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

f. Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorised as follows:

- 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.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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 date.

g. Taxes on Income:

Tax expense comprises of both current and deferred tax only.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Provision for Current tax is measured at the amount computed under the Income Tax Act, 1961, or Book Profit computed under section 115JB, whichever is higher, and correspondingly set-off available under section 115JAA is credited to the Statement of Profit & Loss of the financial year.

MAT credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

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. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

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.

### h. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

i. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

ii. Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### i. Financial instruments

Financial assets and financial liabilities are recognised when a Company entity 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 are recognised immediately in profit or loss.

#### 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.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls).

#### Derecognition 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 derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### Financial liabilities

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

#### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

### j. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee:

The assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

### k. 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 the Company 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, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note No. 3 Property, Plant and Equipment**

Property, plant and equipment comprise of owned and leased assets.

Particulars	Rs. In lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
(a) Property, plant and equipment owned	1,078.85	134.89	188.83
(b) Right of use assets	2,053.54	378.80	–
<b>Total</b>	<b>3,132.39</b>	<b>513.69</b>	<b>188.83</b>

**(a) Property, plant and equipment owned**

Particulars	Rs. In lakhs							Total
	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
<b>Cost</b>								
Balance as at April 1, 2019	–	–	–	249.41	65.97	29.78	40.55	385.71
Additions	–	–	–	0.28	18.99	0.61	3.80	23.68
Disposals	–	–	–	–	–	–	–	–
Balance as at March 31, 2020	–	–	–	249.69	84.96	30.39	44.35	409.39
Additions	93.51	374.04	–	2,045.33	4.91	651.56	172.72	3,342.07
Disposals	–	–	–	(129.63)	–	(97.28)	(11.90)	(238.81)
<b>Balance as at March 31, 2021</b>	<b>93.51</b>	<b>374.04</b>	<b>–</b>	<b>2,165.39</b>	<b>89.87</b>	<b>584.67</b>	<b>205.17</b>	<b>3,512.65</b>
<b>Accumulated depreciation</b>								
Balance as at April 1, 2019	–	–	–	162.20	19.75	9.28	5.65	196.88
Additions	–	–	–	46.99	17.09	4.60	8.94	77.62
Disposals	–	–	–	–	–	–	–	–
Balance as at March 31, 2020	–	–	–	209.19	36.84	13.88	14.59	274.50
Additions	–	76.89	–	1,629.85	16.20	538.39	131.57	2,392.90
Disposals	–	–	–	(124.55)	–	(97.15)	(11.90)	(233.60)
<b>Balance as at March 31, 2021</b>	<b>–</b>	<b>76.89</b>	<b>–</b>	<b>1,714.49</b>	<b>53.04</b>	<b>455.12</b>	<b>134.26</b>	<b>2,433.80</b>
<b>Net carrying amount</b>								
<b>As at April 1, 2019</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>87.21</b>	<b>46.22</b>	<b>20.50</b>	<b>34.90</b>	<b>188.83</b>
<b>As at March 31, 2020</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>40.50</b>	<b>48.12</b>	<b>16.51</b>	<b>29.76</b>	<b>134.89</b>
<b>As at March 31, 2021</b>	<b>93.51</b>	<b>297.15</b>	<b>–</b>	<b>450.90</b>	<b>36.83</b>	<b>129.55</b>	<b>70.91</b>	<b>1,078.85</b>

**(b) Right of use assets**

Particulars	Rs. In lakhs							Total
	Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles		
<b>Cost</b>								
Balance as at April 1, 2019	–	–	–	–	–	–	–	–
Additions	–	533.56	–	–	–	–	–	533.56
Disposals	–	–	–	–	–	–	–	–
Balance as at March 31, 2020	–	533.56	–	–	–	–	–	533.56
Additions	–	717.76	179.44	762.72	1,041.27	38.13	–	2,739.32
Disposals	–	–	–	–	–	–	–	–
<b>Balance as at March 31, 2021</b>	<b>–</b>	<b>1,251.32</b>	<b>179.44</b>	<b>762.72</b>	<b>1,041.27</b>	<b>38.13</b>	<b>–</b>	<b>3,272.88</b>
<b>Accumulated depreciation</b>								
Balance as at April 1, 2019	–	–	–	–	–	–	–	–
Additions	–	154.76	–	–	–	–	–	154.76
Disposals	–	–	–	–	–	–	–	–
Balance as at March 31, 2020	–	154.76	–	–	–	–	–	154.76
Additions	–	453.77	90.04	226.40	262.00	32.37	–	1,064.58
Disposals	–	–	–	–	–	–	–	–
<b>Balance as at March 31, 2021</b>	<b>–</b>	<b>608.53</b>	<b>90.04</b>	<b>226.40</b>	<b>262.00</b>	<b>32.37</b>	<b>–</b>	<b>1,219.34</b>
<b>Net carrying amount</b>								
<b>As at April 1, 2019</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>As at March 31, 2020</b>	<b>–</b>	<b>378.80</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>378.80</b>
<b>As at March 31, 2021</b>	<b>–</b>	<b>642.79</b>	<b>89.40</b>	<b>536.32</b>	<b>779.27</b>	<b>5.76</b>	<b>–</b>	<b>2,053.54</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note No. 4 Other Intangible Assets**

Particulars	Rs. In lakhs	
	Computer Software	Total
<b>Cost</b>		
Balance as at April 1, 2019	41.36	41.36
Additions	2.47	2.47
Disposals	-	-
Balance as at March 31, 2020	43.83	43.83
Additions	1,373.38	1,373.38
Disposals	(51.86)	(51.86)
<b>Balance as at March 31, 2021</b>	<b>1,365.35</b>	<b>1,365.35</b>
<b>Accumulated amortisation</b>		
Balance as at April 1, 2019	19.30	19.30
Additions	6.18	6.18
Disposals	-	-
Balance as at March 31, 2020	25.48	25.48
Additions	1,315.07	1,315.07
Disposals	(51.86)	(51.86)
<b>Balance as at March 31, 2021</b>	<b>1,288.69</b>	<b>1,288.69</b>
<b>Net carrying amount</b>		
As at April 1, 2019	22.06	22.06
As at March 31, 2020	18.35	18.35
<b>As at March 31, 2021</b>	<b>76.66</b>	<b>76.66</b>

**Note No. 5 Other Financial Assets**

Particulars	Rs. In lakhs			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
<b>Carried at amortised costs</b>				
(a) Security Deposits	-	194.40	-	84.40
(b) Interest accrued on Fixed Deposits	1.28	-	0.06	-
<b>Total</b>	<b>1.28</b>	<b>194.40</b>	<b>0.06</b>	<b>84.40</b>

**Note No. 6 Other Non Financial Assets**

Particulars	Rs. In lakhs			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
<b>Carried at amortised costs</b>				
<b>I Advances other than capital advances</b>				
(a) Prepaid rent	4.65	2.55	4.65	7.20
(b) Prepaid expenses	583.78	-	18.14	-
(c) Unbilled revenue	-	-	17.92	-
(d) Others	9.59	-	-	-
<b>II Others</b>	-	-	-	-
<b>Total other non-financial assets</b>	<b>598.02</b>	<b>2.55</b>	<b>40.71</b>	<b>7.20</b>

**Note No. 7 Deferred Tax Assets (Net)**

Particulars	Rs. In lakhs			
	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Particulars</b>				
<u>Tax effect of items constituting deferred tax liabilities</u> on remeasurements of the defined benefit plans	3.15	-	2.98	6.13
	3.15	-	2.98	6.13
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	114.42	10.70	-	125.12
Property, Plant and Equipment and Intangible assets	9.09	(18.96)	-	(9.87)
Other Temporary Differences	30.36	16.46	-	46.82
	153.87	8.20	-	162.07
<b>Net Tax Asset (Liabilities)</b>	<b>150.71</b>	<b>8.20</b>	<b>(2.98)</b>	<b>155.93</b>

Particulars	Rs. In lakhs			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u> on remeasurements of the defined benefit plans	5.90	-	(2.75)	3.15
	5.90	-	(2.75)	3.15
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	83.45	30.97	-	114.42
Property, Plant and Equipment and Intangible assets	1.59	7.50	-	9.09
Other Temporary Differences	14.61	15.75	-	30.36
	99.65	54.22	-	153.87
<b>Net Tax Asset (Liabilities)</b>	<b>93.74</b>	<b>54.22</b>	<b>2.75</b>	<b>150.71</b>

**Note No. 8 Investments**

Particular	Rs. In lakhs			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
<b>Designated as Fair Value Through Profit and Loss</b>				
<b>I Quoted :</b>				
(a) Investments in Mutual Funds	13.98	-	50.87	-
<b>Total current investments</b>	<b>13.98</b>	<b>-</b>	<b>50.87</b>	<b>-</b>
<b>Aggregate amount of quoted investments</b>	<b>13.98</b>	<b>-</b>	<b>50.87</b>	<b>-</b>
<b>Aggregate amount of market value of investments</b>	<b>13.98</b>	<b>-</b>	<b>50.87</b>	<b>-</b>
<b>Total investment carrying value</b>	<b>13.98</b>	<b>-</b>	<b>50.87</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note No. 9 Trade Receivable**

Particulars	Rs. In lakhs			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
(a) Trade receivables considered good - Secured	-	-	-	-
(b) Trade receivables considered good - Unsecured	11,477.22	-	687.44	-
(c) Trade receivables which have significant increase in credit risk				
(d) Trade receivables - credit impaired.	21.90	-	21.90	-
	<u>11,499.12</u>	<u>-</u>	<u>709.34</u>	<u>-</u>
Less: Allowance for Credit Losses	(21.90)	-	(21.90)	-
<b>Total trade receivable</b>	<u><b>11,477.22</b></u>	<u><b>-</b></u>	<u><b>687.44</b></u>	<u><b>-</b></u>
Other Disclosures				
Of the above, trade receivables from:				
(i) Related Parties	11,340.76	-	562.83	-
(ii) Others	136.46	-	124.61	-
<b>Total</b>	<u><b>11,477.22</b></u>	<u><b>-</b></u>	<u><b>687.44</b></u>	<u><b>-</b></u>

**Note No. 10 Cash and Cash Equivalents**

Particulars	Rs. In lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks	2,460.75	475.73
(b) Cheques, drafts on hand	1,465.45	-
<b>Total Cash and cash equivalent</b>	<u><b>3,926.20</b></u>	<u><b>475.73</b></u>

**Note No. 11 Other Bank Balances**

Particulars	Rs. In lakhs	
	As at March 31, 2021	As at March 31, 2020
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	264.72	9.82
<b>Total other bank balances</b>	<u><b>264.72</b></u>	<u><b>9.82</b></u>

**Reconciliation of Cash and Cash Equivalents**

Particulars	Rs. In lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>(a) Total Cash and Cash Equivalents as per Balance Sheet</b>	<b>3,926.20</b>	475.73
Add		
Bank Overdraft		
Cash and bank balances included in a disposal group held for sale		
<b>Total Cash and Cash Equivalents as per Statement of Cashflow</b>	<u><b>3,926.20</b></u>	<u><b>475.73</b></u>

**Note No. 12 Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Value	No. of shares	Value
<b>Authorised:</b>				
Equity shares of Rs. 10 each with voting rights	10,000,000	1,000.00	2,000,000	200.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs. 10 each with voting rights	9,779,511	977.95	1,500,000	150.00
<b>Total equity share capital</b>	<u><b>9,779,511</b></u>	<u><b>977.95</b></u>	<u><b>1,500,000</b></u>	<u><b>150.00</b></u>

**(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
<b>Period Ended March 31, 2021</b>			
No. of Shares	1,500,000	8,279,511	9,779,511
Value	150.00	827.95	977.95
<b>Period Ended March 31, 2020</b>			
No. of Shares	1,500,000	0	1,500,000
Value	150.00	-	150.00

**Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

**(ii) There is only one class of Equity shares valued at Rs. 10 and there are no preference shares.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No of shares Equity shares		
	with Voting rights	with Differential Voting rights	Others
<b>As at March 31, 2021</b>			
Mahindra Vehicle Manufacturers Limited, the Holding Company	8,279,511	0	0
Mahindra Holdings Limited, the Holding Company	1,500,000	0	0
<b>As at March 31, 2020</b>			
Mahindra Holdings Limited, the Holding Company	1,500,000	0	0

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	% holding in that class	No of shares	% holding in that class
<b>Equity shares with voting rights</b>				
Mahindra Vehicle Manufacturers Limited	8,279,511	84.66%	-	-
Mahindra Holdings Limited	1,500,000	15.34%	1,500,000	100%

**Note No. 13 Other Financial Liabilities**

Particulars	Rs. In lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
<b>Non-current</b>		
(a) Security deposits	-	-
(b) Other long term liabilities	752.54	378.80
<b>Total non-current</b>	752.54	378.80
<b>Current</b>		
(a) Current maturities of finance lease obligations	590.57	24.19
(b) Interest accrued	-	0.06
(c) Others	0.22	-
<b>Total current</b>	590.79	24.25
<b>Total other financial liabilities</b>	1,343.33	403.05

**Note No. 14 Provisions**

Particulars	Rs. In lakhs			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
<b>I Provision for employee benefits</b>				
(1) Long-term Employee Benefits	45.46	270.15	45.48	220.26
<b>II Other Provisions</b>				
(1) Warranty	-	-	-	-
(2) Other Provisions	-	-	-	-
<b>Total Provisions</b>	45.46	270.15	45.48	220.26

**Note No. 15 Trade Payables**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
(a) (i) Trade payable - Micro and small enterprises	7.31	-	19.94	-
(ii) Trade payable - Other than micro and small enterprises	1,774.48	-	894.54	-
<b>Total trade payables</b>	1,781.79	-	914.48	-

**Note No. 16 Other Non-Financial Liabilities**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
(a) Capital creditors	-	-	22.68	-
(b) Statutory dues	378.98	-	336.21	-
(c) Others*	2,650.88	-	273.87	-
<b>Total other Non-Financial Liabilities</b>	3,029.86	-	632.76	-

\* Others mainly includes salary, bonus, performance pay and other employee related payables.

**Note No. 17 Borrowings**

Particulars	Rs. In lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>I Secured Borrowings</b>		
(a) Loans repayable on demand		
(i) From Banks	-	-
(ii) from other parties	-	-
(b) Loans from related parties	-	-
(c) Deposits	-	-
(d) Other Loans	-	-
<b>Total Secured Borrowings</b>	-	-
<b>II Unsecured Borrowings</b>		
(a) Loans repayable on demand		
(i) From Banks	-	-
(ii) from other parties	-	-
(b) Loans from related parties	-	50.00
(c) Deposits	-	-
(d) Other Loans	-	-
<b>Total Unsecured Borrowings</b>	-	50.00
<b>Total Current Borrowings</b>	-	50.00



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note No. 18 Revenue from operations**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
<b>Revenue from contracts with customers</b>		
(a) Rendering of services	19,675.81	12,085.79
<b>Total revenue from operations</b>	<b>19,675.81</b>	<b>12,085.79</b>

**Note No. 19 Other Income**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
(a) Interest Income		
(1) On Fixed Deposits with Bank	15.42	8.82
(2) On Income tax refund	54.18	–
(b) Dividend Income*	–	–
(1) on Mutual funds	0.49	2.77
(c) Unrealised gain on Mutual Funds	–	–
(d) Other income	44.12	–
(e) Interest Income on Security Deposit - Ind AS adjustment	4.76	4.45
(f) Income for sub-lease	39.00	–
<b>Total other income</b>	<b>157.97</b>	<b>16.04</b>

**Note No. 20 Employee benefit expense**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
(a) Salaries and wages, including bonus	13,646.93	8,449.17
(b) Contribution to provident and other funds	866.15	716.50
(c) Gratuity expense	39.21	28.28
(d) Leave salary	146.10	85.05
(e) Training	1.10	3.40
(f) Staff welfare expenses	38.90	65.91
<b>Total employee benefit expense</b>	<b>14,738.39</b>	<b>9,348.31</b>

**Note No. 21 Finance costs**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
(a) Ind AS Adjustment on Security Deposits	4.65	4.65
(b) Ind AS Adjustment on Lease Payment	38.15	36.28
(c) Other borrowing cost	2.24	2.20
<b>Total finance costs</b>	<b>45.04</b>	<b>43.13</b>

**Note No. 22 Depreciation and amortisation expense**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
(a) Depreciation on tangible assets	165.97	77.62
(b) Depreciation on Right of Use of assets	304.33	154.76
(c) Amortisation on intangible assets	19.84	6.19
<b>Total depreciation and amortisation expenses</b>	<b>490.14</b>	<b>238.57</b>

**Note No. 23 Other expenses**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
(a) Power & Fuel	24.01	43.51
(b) Rent including lease rentals	288.08	225.75
(c) Rates and taxes	5.26	0.13
(d) Insurance	353.52	38.14
(e) Advertisement	–	–
(f) Travelling and Conveyance Expenses	711.69	904.41
(g) Provision for doubtful trade and other receivables, loans	–	–
(h) Net loss/(gain) on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	3.31	0.69
(i) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	9.47	3.50
(ii) For Taxation matters	1.00	0.50
(iii) For Other services	2.00	1.00
(iv) For reimbursement of expenses	–	0.06
(j) Other expenses		
(i) Legal and other professional costs	1,267.58	179.61
(ii) Postage, Telephone and Communication	275.73	146.55
(iii) IT Expenses	264.58	304.05
(iv) Service contracted	644.98	239.57
(v) Loss on sale of assets	–	–
(vi) Brokerage	–	–
(vii) Stores consumed	11.43	–
(viii) R&D cost	20.61	–
(ix) Commission to directors	15.00	–
(x) Miscellaneous expenses	146.21	118.35
<b>Total other expenses</b>	<b>4,044.46</b>	<b>2,205.82</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note No. 24 Current Tax and Deferred Tax**
**(a) Income Tax recognised in profit or loss**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
<b>Current Tax:</b>		
In respect of current year	178.85	126.46
In respect of prior years	–	–
	<u>178.85</u>	<u>126.46</u>
<b>Deferred Tax:</b>		
In respect of current year origination and reversal of temporary differences	(8.19)	(54.22)
Others	–	–
	<u>(8.19)</u>	<u>(54.22)</u>
<b>Total income tax expense recognised in profit or loss</b>	<u>170.66</u>	<u>72.24</u>

**(b) Income tax recognised in other Comprehensive income**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
<b>Deferred Tax:</b>	–	–
Related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	2.98	(2.75)
<b>Total income tax expense recognised in other comprehensive income</b>	<u>2.98</u>	<u>(2.75)</u>

**(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate :**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
<b>Profit before tax from continuing operations</b>	515.75	266.00
Applicable Tax Rate	25.17%	27.82%
Expected income tax expenses	129.80	74.00
(i) Effect of income that is exempt from taxation	(0.12)	(0.63)
(ii) Effect of expenses that is non-deductible in determining taxable profit	(0.04)	(0.20)
(iii) Others	41.02	(0.93)
	<u>170.66</u>	<u>72.24</u>
Adjustments recognised in the current year in relation to the current tax of prior years	–	–
	<u>170.66</u>	<u>72.24</u>
<b>Total income tax expense reported</b>	<u>170.66</u>	<u>72.24</u>

# The tax rate used for the March 31, 2021 in reconciliations above is the corporate tax rate of 25.17% (Previous year 27.82%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws. This rate has further been adjusted considering the effects of various allowances and disallowances in the Statement of Profit and Loss.

**Note No. 25 Earnings per share**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
<b>Basic Earnings per share</b>		
From continuing operations	9.95	12.41
From discontinuing operations	–	–
<b>Total basic earnings per share</b>	<u>9.95</u>	<u>12.41</u>
<b>Diluted Earnings per share</b>		
From continuing operations	9.95	12.41
From discontinuing operations	–	–
<b>Total diluted earnings per share</b>	<u>9.95</u>	<u>12.41</u>

**Note No. 26 Financial Instruments**
**Capital management**

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of net debt to equity of the Company.

	Rs. In lakhs	
	March 31, 2021	March 31, 2020
Equity	14,562.01	1,031.91
Net Debt	–	50.00
Less: Cash and cash equivalents	3,926.20	475.73
Net Debt	–	–
<b>Total Capital</b>	<u>10,635.81</u>	<u>556.18</u>

**Categories of financial assets and financial liabilities**
**As at March 31, 2021**

Particulars	Rs. In lakhs			
	Amortised Cost	FVTPL	FVOCI	Total
<b>Non-current Assets</b>				
Other Financial Assets				
Security deposits	194.40	–	–	194.40
	<u>194.40</u>	<u>–</u>	<u>–</u>	<u>194.40</u>
<b>Current Assets</b>				
Investments	–	13.98	–	13.98
Trade Receivables	11,477.25	–	–	11,477.25
Other Bank Balances	264.72	–	–	264.72
Loans	–	–	–	–
Other Financial Assets				
Interest accrued on Fixed Deposits	1.28	–	–	1.28
	<u>11,743.25</u>	<u>13.98</u>	<u>–</u>	<u>11,757.23</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

As at March 31, 2021	Rs. In lakhs			
	Amortised Cost	FVTPL	FVOCI	Total
<b>Particulars</b>				
<b>Current liabilities</b>				
Borrowings	–			–
Trade Payables	1,781.79			1,781.79
	<b>1,781.79</b>	<b>–</b>	<b>–</b>	<b>1,781.79</b>

As at March 31, 2020	Rs. In lakhs			
	Amortised Cost	FVTPL	FVOCI	Total
<b>Particulars</b>				
<b>Non-current assets</b>				
Other Financial Assets				
Security deposits	84.40	–	–	84.40
	<b>84.40</b>	<b>–</b>	<b>–</b>	<b>84.40</b>
<b>Current assets</b>				
Investments	–	50.87	–	50.87
Trade Receivables	687.44	–	–	687.44
Other Bank Balances	9.82	–	–	9.82
Loans				
Other Financial Assets				
Interest accrued on Fixed Deposits	0.06	–	–	0.06
	<b>697.32</b>	<b>50.87</b>	<b>–</b>	<b>748.25</b>
<b>Current Liabilities</b>				
Borrowings	50.00	–	–	50.00
Trade Payables	914.48	–	–	914.48
	<b>964.48</b>	<b>–</b>	<b>–</b>	<b>964.48</b>

**Financial Risk Management Framework**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

**CREDIT RISK**
**(i) Credit risk management**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected

credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at March 31, 2021	Rs. In lakhs		
Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0%	100%	
Gross carrying amount	11,455.35	21.90	11,477.22
Loss allowance provision		(21.90)	(21.90)

As at March 31, 2020	Rs. In lakhs		
Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.0%	100.0%	
Gross carrying amount	665.54	21.90	687.44
Loss allowance provision		(21.90)	(21.90)

**Reconciliation of loss allowance provision for Trade Receivables**

Particulars	Rs. In lakhs	
	For the Year 2020-21	For the Year 2019-20
Balance as at beginning of the year	21.90	21.90
Impairment losses recognised in the year based on lifetime expected credit losses	–	–
Amounts written off during the year as uncollectible	–	–
Amounts recovered during the year	–	–
Impairment losses reversed/written back	–	–
Balance at end of the year	<b>21.90</b>	<b>21.90</b>

**LIQUIDITY RISK**
**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**(ii) Maturities of financial liabilities**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

Particulars	Rs. In lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
<b>Non-derivative financial liabilities</b>				
<b>As at March 31, 2021</b>				
Trade Payables	1,229.88	–	–	551.91
Other financial liabilities	620.45	752.54	–	–
<b>Total</b>	<b>1,850.33</b>	<b>752.54</b>	<b>–</b>	<b>551.91</b>
<b>As at March 31, 2020</b>				
Trade Payables	914.48	–	–	–
Other financial liabilities	24.25	378.80	–	–
<b>Total</b>	<b>938.73</b>	<b>378.80</b>	<b>–</b>	<b>–</b>

## (iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Rs. In lakhs			
	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
<b>Non-derivative financial assets</b>				
<b>As at March 31, 2021</b>				
<b>Non-current Assets</b>				
Other Financial Assets				
– Security deposits	–	92.98	–	101.42
<b>Current Assets</b>				
Investments	13.98	–	–	–
Trade Receivables	11,477.22	–	–	–
Other Bank Balances	264.72	–	–	–
Other Financial Assets				
– Interest accrued on Fixed Deposits	1.28	–	–	–
<b>Total</b>	<b>11,757.20</b>	<b>92.98</b>	<b>–</b>	<b>101.42</b>
<b>As at March 31, 2020</b>				
<b>Non-current Assets</b>				
Other Financial Assets				
– Security deposits	–	12.38	72.02	–
<b>Current Assets</b>				
Investments	50.87	–	–	–
Trade Receivables	687.44	–	–	–
Other Bank Balances	9.82	–	–	–
Other Financial Assets	–	–	–	–
– Interest accrued on Fixed Deposits	0.06	–	–	–
<b>Total</b>	<b>748.19</b>	<b>12.38</b>	<b>72.02</b>	<b>–</b>

**MARKET RISK**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

*Currency Risk*

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's /Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

**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 :**

Particulars	Currency	Rs. In lakhs	
		March 31, 2021	March 31, 2020
<b>Trade Receivables</b>	USD	10,596.29	3,761.29
	AUD	0.09	2,746.64
	EUR	–	–
<b>Other Financial Assets</b>	USD	101.42	–
	AUD	–	–
	EUR	–	–
<b>Trade Payables</b>	USD	1,155.10	–
	AUD	–	–
	EUR	–	–
<b>Other Financial Liabilities</b>	USD	1,093.61	–
	AUD	–	–
	EUR	–	–

**Of the above foreign currency exposures, the following exposures are not hedged by a derivative:**

Particulars	Currency	Rs. In lakhs	
		March 31, 2021	March 31, 2020
<b>Trade Receivables</b>	USD	10,596.29	3,761.29
	AUD	0.09	2,746.64
	EUR	–	–
<b>Other Financial Assets</b>	USD	101.42	–
	AUD	–	–
	EUR	–	–

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

Particulars	Currency	Rs. In lakhs	
		March 31, 2021	March 31, 2020
Trade Payables	USD	1,155.10	-
	AUD	-	-
	EUR	-	-
Other Financial Liabilities	USD	1,093.61	-
	AUD	-	-
	EUR	-	-

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate	Rs. In lakhs	
			Effect on profit before tax	Effect on pre-tax equity
As at March 31, 2021	USD	+10%	841.93	841.93
	USD	-10%	(841.93)	(841.93)
	AUD	+10%	0.01	0.01
	AUD	-10%	(0.01)	(0.01)
	EUR	+10%	-	-
	EUR	-10%	-	-
As at March 31, 2020	USD	+10%	0.28	0.28
	USD	-10%	(0.28)	(0.28)
	AUD	+10%	0.13	0.13
	AUD	-10%	(0.13)	(0.13)
	EUR	+10%	-	-
	EUR	-10%	-	-

**Note No. 27 Fair Value Measurement**
**Fair Valuation Techniques and Inputs used – recurring Items**

Particulars	Fair values as at		Fair value hierarchy*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	March 31, 2021	March 31, 2020				
	Financial assets					
Investments						
Mutual fund investments	13.98	50.87	Level 1	As declared from the fund house	N.A.	N.A.

There were no transfers between level 1, level 2 and level 3 for recurring fair value measurements during the year.

**Fair value of financial assets and financial liabilities that are not measured at fair value**

Particulars	Rs. In lakhs					
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
Financial assets carried at Amortised Cost						
trade and other receivables	11,477.25	11,477.25	-	11,477.25	-	11,477.25
deposits and similar assets	194.40	194.40	-	194.40	-	194.40
Others	1.28	1.28	-	1.28	-	1.28
<b>Total financial assets carried at amortised cost</b>	<b>11,672.93</b>	<b>11,672.93</b>	<b>-</b>	<b>11,672.93</b>	<b>-</b>	<b>11,672.93</b>
<b>Financial liabilities</b>						
Financial Instruments not carried at Fair Value						
trade and other payables	1,781.79	1,781.79	-	1,781.79	-	1,781.79
others	1,343.33	1,343.33	-	1,343.33	-	1,343.33
<b>Total financial liabilities not carried at fair value</b>	<b>3,125.12</b>	<b>3,125.12</b>	<b>-</b>	<b>3,125.12</b>	<b>-</b>	<b>3,125.12</b>
<b>Total</b>	<b>8,547.81</b>	<b>8,547.81</b>	<b>-</b>	<b>8,547.81</b>	<b>-</b>	<b>8,547.81</b>

Particulars	Rs. In lakhs					
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
Financial assets carried at Amortised Cost						
trade and other receivables	687.44	687.44	-	687.44	-	687.44
deposits and similar assets	84.40	84.40	-	84.40	-	84.40
Others	0.06	0.06	-	0.06	-	0.06
<b>Total financial assets carried at amortised cost</b>	<b>771.90</b>	<b>771.90</b>	<b>-</b>	<b>771.90</b>	<b>-</b>	<b>771.90</b>
<b>Financial liabilities</b>						
Financial Instruments not carried at Fair Value						
trade and other payables	914.48	914.48	-	914.48	-	914.48
others	403.05	403.05	-	403.05	-	403.05
<b>Total financial liabilities not carried at fair value</b>	<b>1,317.53</b>	<b>1,317.53</b>	<b>-</b>	<b>1,317.53</b>	<b>-</b>	<b>1,317.53</b>
<b>Total</b>	<b>(545.63)</b>	<b>(545.63)</b>	<b>-</b>	<b>(545.63)</b>	<b>-</b>	<b>(545.63)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note No. 28 Employee benefits**
**(a) Defined Contribution Plan**

The Company's contribution to Provident Fund, Superannuation Fund and ESIC aggregating Rs. 866.15 lacs (2019 : Rs. 716.50 lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

The Company has voluntary 401(k) retirement plans covering substantially all the employees of US branch. The Branch may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Branch's contributions charged to expense related to 401(k) contributions was Rs 31.46 lacs for the period ended March 31, 2021.

**(b) Defined Benefit Plans:**
**Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

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

	Valuation as at	
	March 31, 2021	March 31, 2020
Discount rate(s)	6.45%	6.70%
Expected rate(s) of salary increase	8.50%	8.50%

**Defined benefit plans – as per actuarial valuation on March 31, 2021**

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

Particulars	Funded Plan- Gratuity	
	March 31, 2021	March 31, 2020
<b>I Expenses recognised in statement of profit and loss for the year</b>		
1 Current and Past Service Cost	32.54	28.80
2 Interest Cost (net of income)	3.30	0.80
3 Expected return on plan assets		
<b>Total expenses included in employee benefit expense</b>	<b>35.84</b>	<b>29.60</b>
<b>II Recognised in Other comprehensive income for the year</b>		
1 Return on plan assets	(0.91)	3.96
2 Actuarial (gain)/loss arising from experience adjustment	(12.26)	6.45
<b>Total Recognised in Other comprehensive income</b>	<b>(13.17)</b>	<b>10.41</b>
<b>III Net Assets/(Liability) recognised in the balance sheet as at</b>		
1 Present Value of Defined Benefit Obligation	258.85	240.34
2 Fair Value of Plan Assets	173.61	181.08
3 Funded Status [Surplus/(Deficit)]	(85.24)	59.26
4 Net Asset/(Liability)	(85.24)	59.26
<b>IV Change in Obligation during the year ended.</b>		
1 Present value of Defined Benefit Obligation at the beginning of year	240.34	206.33
2 Current Service Cost	32.54	28.80
3 Interest Cost	18.72	10.25
4 Actuarial (Gains)/Losses	(13.17)	10.41
5 Benefits Payment	(19.58)	(15.45)
6 Present value of Defined Benefit Obligation at the end of year	258.85	240.34
<b>V Change in Assets during the year ended.</b>		
1 Plan Assets at beginning of the year	181.08	185.76
2 Expected return on Plan Assets	12.11	9.44
3 Contribution by Employers		1.33
4 Actual benefits paid	(19.58)	(15.45)
5 Actuarial Gains/(Losses) on Plan Assets		-
6 Plan Assets at end of the year	173.61	181.08
<b>VI The Major categories of plan assets</b>		
1 Insurer Managed Fund		
<b>VII Actuarial Assumptions</b>		
1 Discount rate	6.45%	6.70%
2 Expected rate of return on plan assets	6.45%	6.70%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

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

Principal assumption	Changes in assumption	Impact on defined benefit obligation	
		Increase	Decrease
<b>Discount rate</b>			
March 31, 2021	1%	(7.26)%	8.40%
March 31, 2020	1%	(6.43)%	7.39%
<b>Salary growth rate</b>			
March 31, 2021	1%	8.12%	(7.19)%
March 31, 2020	1%	7.19%	(6.38)%

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

**IX Maturity profile of defined benefit obligation:**

	March 31, 2021	March 31, 2020
Within 1 year	33.23	47.53
1 - 2 year	38.58	28.21
2 - 3 year	27.75	32.12
3 - 4 year	18.57	22.15
4 - 5 year	42.29	15.34
above 5 years	328.98	291.79

**X Plan Assets**

The fair value of Company's pension plan asset as of March 31, 2021 and March 31, 2020 and April 1, 2019 by category are as follows:

Asset category	March 31, 2021	March 31, 2020
Deposits with Insurance companies	173.61	181.08
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 7.79 years (March 31, 2020 6.88 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

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

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of Supreme Court order.

**Note No. 29 Related Party Transactions**

<b>Name of the parent Company</b>	Mahindra Vehicle Manufacturers Ltd. (wef 1st January, 2021)
	Mahindra Holdings Limited
<b>Name of the Ultimate Holding Company</b>	Mahindra & Mahindra Limited
<b>Fellow Subsidiary:</b>	
Bristlecone (India) Ltd	Mahindra Manulife Trustee Pvt Ltd
CLASSIC LEGENDS PRIVATE LIMITED	Mahindra Marine Private Limited
GIPPS AERO PTY LIMITED	Mahindra Manulife Investment Management Pvt Ltd. (Mahindra AMC Pvt Ltd)
GROMAX AGRI EQUIPMENT LIMITED	Mahindra Insurance Brokers Ltd.
MAHINDRA & MAHINDRA CONTECH LTD	Mahindra MiddleEast Electrical Steel Service Centre (FZC)
Mahindra & Mahindra Financial Services Ltd	Mahindra MSTC Recycling Pvt. Ltd.
Mahindra Aerospace Pvt Ltd	Mahindra Residential Developers Ltd.
Mahindra Aerostructures Pvt Ltd	Mahindra Rural Housing Finance Ltd
Mahindra Agri Solutions Limited	Mahindra Steel Service Centre Ltd.
MAHINDRA AIRWAYS LIMITED	Mahindra Susten Pvt Ltd.
MAHINDRA ASSET MANAGEMENT COMPANY PVT LTD	Mahindra Telephonics Integrated Systems Pvt Ltd.
Mahindra Auto Steel Pvt. Ltd.	Mahindra TEQO Private Limited
Mahindra Automobile Distributor Pvt Ltd	Mahindra Trucks & Buses Limited
Mahindra Bebanco Dev. Ltd/ Mahindra Bloomdale Dev Ltd.	Mahindra Two Wheelers Limited.
Mahindra Defence System Ltd	Mahindra USA INC
Mahindra Electric Mobility Limited	Mahindra Vehicle Manufacturers Ltd
MAHINDRA EMARKET LTD	Mahindra Waste to Energy Solutions
Mahindra Emirates Vehicle Armoring Fz LLC	Mahindra World City (Chennai) Ltd.
MAHINDRA EPC IRRIGATION LIMITED	Mahindra World City (Jaipur) Ltd.
Mahindra First Choice Services Ltd	Marvel Solren Private Limited
Mahindra First Choice Wheels Ltd	Medwell Ventures Private Limited
Mahindra Greenyard Private Limited	Mera Kisan Pvt. Ltd.
Mahindra Happinest Developers Ltd.	Meru Mobility Tech Pvt. Ltd.
Mahindra Heavy Engines Ltd.	NBS International Ltd
Mahindra Holidays & Resorts India Limited	V-Link Fleet Solutions Pvt. Ltd.
Mahindra Homes Pvt. Ltd.	Automobili Pinifarina GmbH
Mahindra HZPC Pvt. Ltd	Mahindra Automotive North America, Inc.
Mahindra Industrial Park Private Limited	Mahindra North American Technical Center, Inc.
Mahindra Integrated Township Ltd.	Mahindra Tractor Assembly, Inc.
Mahindra Inter-trade Ltd.	Mahindra Vehicle Sales and Service, Inc.
Mahindra Lifespace Developers Ltd.	Peugeot Motorcycles S.A.
Mahindra Logistics Ltd.	Mahindra Racing UK Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

Associate of M & M	Joint Venture
Mahindra CIE Automotive Ltd.	Mahindra Summit Agriscience Ltd
Mahindra Education Society, Mahindra Academy	Mahindra Tsubaki Conveyor Systems Pvt Ltd
Tech Mahindra Foundation	Swaraj Engines Limited
TECH MAHINDRA LTD	M & M CJP Employees Coop Canteen Soc Ltd
The Indian and Eastern company	M & M Ltd Tractor Div Employee Co-op Canteen Soc Ltd
Mahindra Foundation USA	

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Fellow subsidiaries	Others
<b>Nature of transactions with Related Parties</b>					
Rendering of services	March 31, 2021	12,490.66	1,871.20	4,420.13	179.06
	March 31, 2020	6,270.15	-	4,969.98	81.97
Receiving of services	March 31, 2021	1.29	-	826.83	-
	March 31, 2020	8.47	-	1.49	-
Lease expenses	March 31, 2021	132.55	-	-	-
	March 31, 2020	126.42	-	-	-
Purchase of goods	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	0.16	-
Purchase of property and other assets	March 31, 2021	-	-	7.00	-
	March 31, 2020	-	-	45.50	-
Loans taken/(repaid)	March 31, 2021	(50.00)	-	-	-
	March 31, 2020	50.00	-	-	-
Interest Paid on Borrowings	March 31, 2021	2.24	-	-	-
	March 31, 2020	2.20	-	-	-
Dividend paid	March 31, 2021	22.50	-	-	-
	March 31, 2020	22.50	-	-	-
Issue of shares	March 31, 2021	-	178.83	-	-
	March 31, 2020	-	-	-	-
Reimbursement of expenses made to parties	March 31, 2021	309.87	-	1.52	-
	March 31, 2020	302.16	-	-	-
Reimbursement of expenses made by parties	March 31, 2021	-	-	540.63	-
	March 31, 2020	-	-	-	-
Others	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-

Details of outstanding balances with related parties

Particulars	Balance as on	Ultimate Holding Company	Parent Company	Fellow subsidiaries	Others
Trade Receivable	March 31, 2021	8,358.07	2,453.96	522.76	5.97
	March 31, 2020	244.30	-	310.57	7.96
Trade Payable	March 31, 2021	236.10	551.91	1.50	-
	March 31, 2020	587.89	-	23.72	-
Loans & advances taken	March 31, 2021	-	-	-	-
	March 31, 2020	50.00	-	-	-
Other balances (Interest accrued but not due on Borrowing)	March 31, 2021	-	-	-	-
	March 31, 2020	0.06	-	-	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note No. 30 Business Combination

#### Brief Summary of transaction

During the financial year ending March 31, 2021, Mahindra Integrated Business Solutions Pvt. Ltd. "the Company" has acquired branch of Mahindra Vehicle Manufacturers Ltd. "MVML" located in Michigan, USA.. The acquisition has taken place by executing business transfer agreement between the Company and MVML (entities under common control) to transfer business of US branch as a going concern on a slump sale basis for a lump sum consideration without assigning any individual values to the individual assets and liabilities.

This branch provides design, engineering and product development services to Mahindra & Mahindra and its group Companies. Effective date of acquisition was January 1, 2021.

#### Accounting approach followed

As the transaction took place between the entities which are under common control, the Company has followed pooling of interest method suggested as per 'Appendix C of Ind AS 103 - Business Combination'. As per the this method, the Company has restated its financials statement of earlier years.

#### Summary of consideration and details of assets & liabilities acquired

##### I Valuation of branch and assets and liabilities acquired.

Based on valuation done by independent valuers of branch the consideration was fixed at Rs 17883.74 lacs.

Particulars	Amt in lakhs
Property, plant & equipment	3,066.64
Other intangible assets	5.22
Other financial and non-financial assets	14,314.11
Balance of retained earnings on date of acquisition	13,314.91
Other financial and non-financial liabilities	4,198.82

##### II Summary of consideration paid

As per valuation of the Company consideration was paid by way of exchange of 82,79,511 equity shares of Rs 216 each .(face value of Rs 10 each & premium of Rs 206). This has resulted in change in shareholding pattern of the Company. (refer note 12).

III This has resulted in negative capital reserve of Rs 955.74 lacs adjusted in balance of Retained earnings as on the date of acquisition.

### Note No. 31 Leases

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

#### Non-lease components

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company has used the following policies and/or assumptions in evaluating the lease population

#### Lease determination:

The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property and equipment (an identified asset) for a period of time in exchange for consideration.

#### Discount rate :

When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

#### Variable payments :

The Company includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

#### Purchase options :

Certain leases include options to purchase the office equipment. The depreciable life of assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

#### Renewal options :

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

#### Residual value guarantees, restrictions, or covenants :

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

#### Short-term leases :

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to other expenses in Profit and loss account.

The table below presents the classification of leasing assets and liabilities

Particulars	Rs. In lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>		
Right-of-use of assets	2,053.54	378.80
<b>Liabilities</b>		
Current Lease liabilities	590.57	24.19
Non-current lease liabilities	752.54	378.80

The table below presents the classification of lease related expenses as reported in the Profit and loss account

Particulars	For the Year 2020-21	For the Year 2019-20
Rent Expenses	288.08	225.75

Refer note 26 for maturity profile of lease liabilities

### Note No. 32 Additional Disclosures

#### Dividend

In respect of the current year, the directors propose that a dividend of Rs.0.511 per share be paid on equity shares in July 2021. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Proposed equity dividend is payable to all shareholders on the Register of Members on March 31, 2021. The total estimated equity dividend to be paid is Rs.50,00,000.

#### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Rs. In lakhs	
	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to MSME suppliers	7.31	19.94
(ii) Interest due on unpaid principal amount to MSME suppliers	0.77	0.95
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid	0.77	0.95
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	0.77	0.95

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Impact of Covid-19**

From December 2019, COVID - 19, has spread globally, including India. This event has significantly affected economic activity globally and in India and as a result impacted the operations and financial results of the Company. The Company has performed an initial assessment of the likely impact this would have on the operations of the Company and its financial performance in the coming year.

For FY 21 financial reporting, the Company has used the principles of prudence in applying judgments, estimates and assumptions in significant areas like , estimating the remaining useful life of the tangible and intangible assets, , recoverability of receivables including unbilled receivables, provision for receivables under ECL model, , impact of cancellation or modifications to the terms of the revenue contracts, cancellation or deferment of revenue contracts, penalties due to non-fulfillment of service legal obligations, fair valuation of financial assets and liabilities etc.

The Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has also evaluated the cash flows for FY 21 and based on the present estimate of the management, the Company does not foresee any impact on its ability to meet the statutory dues and creditors payment on due dates Accordingly based on the projected cash flows for the next twelve months, the management is of the view that the use of going concern assumption in preparing these financial statements is appropriate.

**Comparatives**

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

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In terms of our report attached.

**For B. K. Khare & Co.**  
Chartered Accountants

**Aniruddha Joshi**  
**Partner**  
Membership No. 040852

Place: Mumbai  
Date: May 4, 2021

**For and on behalf of the Board of Directors**

**S. Durgashankar**  
Director  
DIN No. 00044713

**Rahul Asthana**  
Director  
DIN No. 00234247

**Neera Saggi**  
Director  
DIN No. 00501029

Place: Mumbai  
Date: May 4, 2021