

Board's Report to the Shareholders of Mahindra First Choice Wheels Limited

Your Directors present their Twenty Ninth Report together with the audited financial statements of your Company for the year ended 31st March,2023.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Rs.in Lakhs)

Particulars	For the year ended 31 st March,2023	For the year ended 31 st March,2022
Total Income	1,11,312.38	85,535.97
Profit/(Loss) before Depreciation, Finance Costs and Taxation	(10,052.51)	(2,223.17)
Less: Depreciation and Amortization	938.77	781.67
Profit/(Loss) before Finance costs and Tax	(10,991.28)	(3076.22)
Less: Finance Costs	64.43	72.64
Profit/(Loss) before Exceptional Item	(11,055.71)	(3,077.48)
(Loss) /Profit before Tax	(11,055.71)	(3,077.48)
Provision for Tax/tax of earlier years	(0.01)	92.53
Profit / (Loss) for the year	(11,055.70)	(3,170.01)
Other Comprehensive Income, net of tax	1.30	23.54
Total Comprehensive income for the period	1.30	23.54
Balance of Profit/(Loss) for earlier years	(22,282.27)	(19,040.90)
Profit or (Loss) for the year	(11,055.70)	(3,170.01)
Preference Share Issuance Cost	0.00	71.36
Balance of Profit/ (Loss) carried forward	(33,337.97)	(22,282.27)
Net Worth	27,288.10	14,038.33

There are no material changes and commitments affecting the financial position of the Company after the end of financial year till the date of this report.

DIVIDEND

In view of the losses, your Directors have not considered dividend for the year under review.

No amount was required to be transferred to Investor Education and Protection fund for the year under review.

AMOUNTS TRANSFERRED TO RESERVES

In view of the losses, no amount has been transferred to reserves for the year under review.

OPERATIONS

During the year under review, the Company registered a growth of 31% in Revenues. This strong performance, against the backdrop of general economic uncertainty and headwinds for the auto & finance sectors during the last year, was a reflection of the Company's robust business model as well as tailwinds behind the sector as a whole.

The Company's business is strongly integrated with the automotive and finance/insurance sectors. In conjunction with these sectors, the pre-owned car industry also had several ups and downs during the fiscal year F23. The year was marked by the general macro-economic uncertainty. The finance sector was also impacted with uncertain repossession volumes, especially in H2 of F23. While the investor euphoria in the used-car sector also reduced from F22 high leading to all industry organized players focusing on sustainability and profitability, the demand from Consumers for pre-owned vehicles continued to increase steadily. In this back-drop, the Company's performance to register a 31% increase in Revenues is a commendable reflection of its robust business model as well as the strong long-term tailwinds in the sector

The Retail & E-Commerce Businesses continued its rapid growth in F23, to post the highest ever volume of 5000+ vehicles sold across its network in March'23. This growth reinforces the Company's position in its journey to become the largest used car retailer in the country. In F23, the Company took steps to accelerate the transformation and organization of the Used Car Industry – by strengthening its value proposition to dealers, by introducing the content of large-format stores (Car&Bike Superstores) as well as a mid-market model (Car&Bike Select). Both these formats are supported by an end-to-end customer experience management system as well as providing operational excellence and technological support to them. Our E-Commerce initiative – which allows customers to reserve a vehicle online – which was launched in F22 reached new heights by selling 1500+ cars online in a month.

The Enterprise Business continued to be a strong growth driver for the Company. All mature businesses like Yard Management Services, Vehicle Inspections, Wholesale Auctions, AutoKart continued to grow and remain profitable.

During the year, Car&Bike.com was revamped and relaunched with multiple new consumer journeys, a refreshed UI/UX and high-performance back-end. The launch was smooth & successful, improving multiple site statistics. The adoption of Car&Bike as the Company's consumer facing brand also progressed significantly.

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The Company made meaningful progress on its plan to integrate all its tech solutions into a platform, strengthen omnichannel linkages between Car&Bike.com and the Retail network, and build a strong Data Platform. These initiatives, together with other business priorities, strengthened the unique full-stack business model of the Company.

The change in consumer behaviour over the last few years (which was accelerated due to the COVID crisis) has turned out to be an inflection point for the industry. First, the trend towards organizing the industry has started gathering pace. Second, the impact of lower discretionary household spends is bringing used cars into serious purchase consideration by customers across the socio-economic spectrum. Third, the availability of technology tools is increasingly bring the customer's journey online.

Potentially the most significant development of F23 was the announcement of regulatory oversight of the industry by Ministry of Road Transport and Highways. The GSR 901 is a very positive step towards accelerating the organization of the pre-owned car industry. Your Company believes that the customer expectations and behaviour will continue in favour of pre-owned cars. The options available to consumers for financing their pre-owned cars are also increasing significantly. These regulatory and consumer changes will make F24 a very positive year for the industry, leading to another 10%+ volume growth year on year.

The Company has made clear strategic decisions of focusing on profitability via unit economics and customer experience in transactions, building the right team, deploying technology in its operations. Within the industry context and competitive scenario, the Company believes that overall, F24 will be a very positive year for the Company.

SHARE CAPITAL

During the year under review, the authorised share capital of the Company was increased from Rs. 165 crores to Rs. 170 Crores consisting of 9,50,00,000 Equity Shares of Rs. 10/- each and 7,50,00,000 Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each.

During the year under review, the last and final tranche of 1,26,00,000 Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of Rs. 10/- each were issued and allotted on preferential basis.

During the year under review, 83,33,333 Equity Shares of Rs. 10/- each were issued and allotted in tranches to the Shareholders of the Company on Rights Basis.

In view of the above, authorised share capital of the company, as the end of the year under review, stood at Rs. 170, 00,00,000 while the issued and paid up Equity Share Capital and NCCCPS stood at Rs. 90,77,35,040 and Rs. 72,87,75,000 respectively.

HOLDING COMPANY

Mahindra Holdings Limited is the Holding Company of your Company and Mahindra and Mahindra Limited is your ultimate Holding Company.

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During the year under review, the nature of holding of your holding company, Mahindra Holdings Limited, changed from being a Board Controlled Subsidiary under Section 2 (87) (i) of the Companies Act,2013 to a subsidiary under Section 2 (87) (ii) of the Companies Act,2013 by virtue of exercising or controlling more than one-half of the total voting power. The change follows the increase in holding of the Holding Company from 48.80 % to 53.40% on subscribing to the Rights Issue of the Equity Shares offered by the Company.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

As on 31st March,2023, your Company had Fifth Gear Ventures Limited as its subsidiary.

A report on the performance and financial position of the subsidiary and its contribution to the overall performance of the Company, is provided in Form AOC 1 which is attached to the Financial Statements and forms part of this Annual Report.

Fifth Gear Ventures Limited

The Company was incorporated in 2015 and was acquired by your Company during 2019-2020.

Your Company holds 100 % of the share capital and voting power in the Company. During the year the Company incurred loss of Rs. 2635.33 Lakhs (Previous Year loss of Rs. 1965.14 Lakhs).

CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs vide its Notification G.S.R 742(E) dated 27th July,2016, exempted subsidiary company from preparation and presentation of Consolidated Financial Statements, provided the company meets the conditions as mentioned in the said Notification.

Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid notification.

BOARD OF DIRECTORS

Composition of the Board of Directors, as at the end of the Financial Year under review, was as follows:

Sr. No.	Name of Director & DIN	Designation	Executive / Non - Executive	Independent/Non Independent
1.	Mr. Rajeev Dubey (DIN: 00104817)	Director	Non-Executive	Non Independent
2.	Dr. Narendra Mairpady (DIN: 00536905)	Director	Non-Executive	Independent

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3.	Mrs. Sangeeta Talwar* (DIN: 00062478)	Director	Non-Executive	Independent
4.	Mr. Amit Kumar Sinha (DIN:09127387)	Director	Non-Executive	Non Independent
5.	Mr. Ramesh Iyer (DIN: 00220759)	Director	Non-Executive	Non Independent
6.	Mr. Sanjay Labroo (DIN: 00009629)	Director	Non-Executive	Non Independent
7.	Mr. Anupam Thareja (DIN: 01091533)	Director	Non-Executive	Non Independent
8.	Mr. Vijesh Thota (DIN: 09128139)	Director	Non-Executive	Non Independent
9.	Mr. Rob Huting (DIN: 07976619)	Director	Non-Executive	Non Independent
10.	Mr. Christopher Hansen (DIN:07189662)	Director	Non-Executive	Non Independent
11.	Mr. Ashutosh Pandey (DIN: 08166731)	Managing Director & CEO	Executive	Non Independent

* Mrs. Sangeeta Talwar (DIN: 00062478), Independent Woman Director, resigned from the Board with effect from 31st March,2023.

Subsequent to the closure of Financial Year under review , Mrs. Sonu Bhasin (DIN: 02872234) was appointed as an Additional Director and Independent Woman Director of the Company with effect from 1st April,2023.

Mrs. Sonu Bhasin (DIN: 02872234), who was appointed at the Board Meeting held on 28th February,2023, as an Additional Director with effect from 1st April,2023, holds office as such upto the forthcoming Annual General Meeting. The Company has received notice from a Member expressing its intention to propose the name of Mrs. Sonu Bhasin as a candidate for appointment at the forthcoming Annual General Meeting, as a Director not liable to retire by rotation.

Mr. Christopher Hansen (DIN: 07189662), Mr. Amit Kumar Sinha (DIN: 09127387) and Mr. Vijesh Thota (DIN: 09128139) retire by rotation and being eligible, have offered themselves for reappointment.

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The Independent Directors of your Company have also confirmed compliance pursuant to the Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, with respect to the inclusion of their names in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA), Manesar and its subsequent renewal.

Your Company has also received declarations from Mrs. Sonu Bhasin (DIN: 02872234) and Dr. Narendra Mairpady (DIN: 00536905), Independent Directors, to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

All the Directors of your Company have given requisite declarations pursuant to Section 164 of the Companies Act, 2013 to the effect that they are not disqualified for appointment/reappointment as Directors.

ANNUAL 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 including Chairman during the year under review.

CODES OF CONDUCT

Your Company has in place Code of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

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

BOARD MEETINGS

The Board of Directors met 6 times during the year under review viz., on 6th May,2022, 25th June,2022, 26th July,2022, 19th October,2022, 24th January,2023 and 28th February,2023.

The maximum interval between any two meetings did not exceed 120 days.

The attendance of the Directors at these meetings was as under:

Name of Director	Number of Board Meetings Attended during the year.
Mr. Rajeev Dubey	6
Dr. Narendra Mairpady	6
Mrs. Sangeeta Talwar	5
Mr. Amit Kumar Sinha	6
Mr. Ramesh Iyer	5
Mr. Sanjay Labroo	4
Mr. Anupam Thareja	2
Mr. Vijesh Thota	6
Mr. Rob Huting	5
Mr. Christopher Hansen	1
Mr. Ashutosh Pandey	6

GENERAL MEETINGS

The 28th Annual General Meeting of the Members was held on 26th July,2022.

Three Extra Ordinary General Meetings of the Members of the Company were held during the year under review viz., 21st April,2022, 7th June,2022 and 28th March,2023.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, applicable accounting standards had been followed;
- (ii) the Directors had selected such accounting policies and applied them 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 for the financial year ended 31st March,2023 and of loss of the Company for the year ended on that date;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had devised proper systems 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

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of your Company:-

1. Mr. Ashutosh Pandey is the Managing Director & Chief Executive Officer;
2. Mr. V Janakiraman is the Chief Financial Officer;
3. Mrs. Anita Anant Halbe is the Company Secretary .

COMMITTEES OF THE BOARD

The following are the details of Committees of the Board:

AUDIT COMMITTEE

As at the end of the financial year under review, the Audit Committee comprised of Dr. Narendra Mairpady (Chairman), Mrs. Sangeeta Talwar and Mr. Ramesh Iyer as its Members.

With the resignation of Mrs. Sangeeta Talwar as a Director and consequently as a Member of Audit Committee with effect from 31st March,2023, the Board had at its Meeting held on 28th February,2023, reconstituted the Audit Committee with the appointment of Mrs. Sonu Bhasin as a Member of the Audit Committee with effect from 1st April,2023, with her appointment as a Director of the Company already made earlier with effect from 1st April,2023.

The Audit Committee met Six times during the financial year under review viz.; on 6th May,2022, 24th June,2022, 25th July,2022, 19th October,2022, 23rd January,2023 and 28th February,2023.

The attendance of the Members at these Meetings was as under:

Director	Designation	No. of meetings attended
Dr. Narendra Mairpady	Chairman	6
Mrs. Sangeeta Talwar	Member	6
Mr. Ramesh Iyer	Member	6

NOMINATION AND REMUNERATION COMMITTEE

As at the end of the financial year under review, the Nomination and Remuneration Committee comprised of Mr. Amit Kumar Sinha (Chairman), Dr. Narendra Mairpady and Mrs. Sangeeta Talwar as its Members.

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With the resignation of Mrs. Sangeeta Talwar as a Director and consequently as a Member of Nomination and Remuneration Committee with effect from 31st March,2023, the Board had at its Meeting held on 28th February,2023, reconstituted the Nomination and Remuneration Committee with the appointment of Mrs. Sonu Bhasin as a Member of the Nomination and Remuneration Committee with effect from 1st April,2023, with her appointment as a Director of the Company already made earlier with effect from 1st April,2023.

The Nomination and Remuneration Committee met five times i.e., on 6th May,2022, 25th July,2022, 19th October,2022, 23rd January,2023 and 28th February,2023, during the year under review.

The attendance of the Members at these Meetings was as under:

Director	Designation	No. of Meetings attended
Mr. Amit Kumar Sinha	Chairman	5
Dr. Narendra Mairpady	Member	5
Mrs. Sangeeta Talwar	Member	5

The Nomination and Remuneration Committee carried out an on-line annual evaluation of the performance of individual Directors, during the year under review, through a structured questionnaire process covering various aspects such as skills, performance, attendance, knowledge etc.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met on 6th May,2022 during the year, without the presence of the Chairman or Managing Director or other Non-Independent Directors 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 of 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 were not applicable to your Company. However, the Company has proactively implemented a Whistleblower Policy and Vigil mechanism administered by an independent third party.

AUDITORS

STATUTORY AUDITORS

At the 28th Annual General Meeting held on 26th July, 2022, M/s. B S R & Co. LLP, Chartered Accountants, (ICAI Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a second term of 5 consecutive years to hold office until the conclusion of the 33rd Annual General Meeting to be held in the year 2027.

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDITOR

Your Company had appointed M/s. MMJB & Associates LLP, Practicing Company Secretary (Certificate of Practice Number: 9346), to conduct the Secretarial Audit of the Company for the financial year 2022-2023.

In terms of the provisions of Section 204(1) of the Companies Act, 2013, the Company has annexed with this Board's Report, as **Annexure I**, a Secretarial Audit Report for the year under review in the prescribed Form MR - 3.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

MAINTENANCE OF COST ACCOUNTS AND RECORDS

Your Company was not required to maintain cost accounts and records as required under the Section 148 (1) of the Companies Act, 2013 and rules made thereunder.

INTERNAL AUDITOR

Your Board had appointed Mr. K N Vaidyanathan, a professional having qualification and rich experience, as Internal Auditor of the Company for the year ended 31st March, 2023.

COST AUDITOR

Provisions of Companies Act, 2013 relating to appointment of Cost Auditor were not applicable to your Company.

REPORTING OF FRAUDS BY AUDITORS

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

POLICY ON CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT AND POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Your Company adopted the following Policies which, inter alia, include criteria for determining qualifications, positive attributes and independence of a Director:

- (a) Policy on Criteria for Appointment/Removal of Directors and Senior Management Personnel and succession planning for orderly succession to the board and the senior management.
- (b) Policy for remuneration of the Directors, Key Managerial Personnel and other employees.

Policy (a) mentioned above includes the criteria for determining qualifications, positive attributes and independence of a Director, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management Team in accordance with the criteria laid down in the said Policy, succession planning for Directors and Senior Management, and Policy statement for Talent Management framework of the Company.

Policy (b) mentioned above sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra First Choice Wheels Limited.

Both these Policies, as amended, are provided as **Annexures IIA and IIB** and the same form part of this Report.

Policies mentioned at (a) and (b) above are available on the website at the following link: <https://www.mahindrafirstchoice.com>

RISK MANAGEMENT POLICY

Your Company has, in place a Risk Management Policy which includes identification therein of the elements of risk, which in the opinion of Board, may threaten the existence of the Company. Your Company's risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Provisions relating to Corporate Social Responsibility (CSR), enumerated under Section 135 of the Companies Act, 2013, were not applicable to your Company.

INTERNAL FINANCIAL CONTROLS

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 31st March, 2023. Significant issues, if any, are brought to the attention of the Audit Committee. Statutory Auditors and internal auditors are invited to attend Audit Committee meetings. 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 1171 people on its rolls as at 31st March, 2023. Your Company acknowledges its commitment to regional development and improving the standard of living of the people in the region.

SAFETY, HEALTH AND ENVIRONMENT

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

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

The particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of the Act read with the Companies Rule 8 (3) of The Companies (Accounts) Rules, 2014 are given as **Annexure III** and the same forms part of 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 were not applicable to your Company during the year under review.

EMPLOYEE STOCK OPTION PLAN

The disclosure of details in respect of the Company's Employee Stock Option Plan, as required under the Companies (Share Capital and Debentures) Rules, 2014 are set out in **Annexure IV** and the same forms part of this Report.

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

Particulars of loans given, investments made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are provided in **Annexure V** and the same forms part of this Report.

Your Company had not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34 (3) and 53 (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Schedule V applicable to the Parent Company Mahindra and Mahindra Limited.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the Related Party Transactions entered, during the year, were in the Ordinary Course of Business and on 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 VI** and the same forms part of this Report.

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, as amended, a copy of the Annual Return of the Company, prepared in prescribed Form MGT-7, for the year ended 31st March, 2023, has been placed on the website of the Company, which can be accessed at the web-address: <https://www.mahindrafirstchoice.com>. The Company is no longer required to attach to its Board's Report the extract of the Annual Return under Form MGT-9.

As per the Rule 12 of Companies (Management and Administration) Rules, 2014 as amended, a copy of the annual return shall also be filed with the Registrar with prescribed fees.

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

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, Company had received 2 complaints under the aforesaid Act, both of which have been closed.

GENERAL

The Managing Director of the Company did not receive any remuneration or commission from the subsidiary of your Company.

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) to employees of the Company under any Scheme.
3. Significant or material orders by Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
4. Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to 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. Change in the nature of business of your Company.
6. During the year, the Company has not made any application and there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).
7. During the year, the Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
8. There was no revision of financial statements and Board's Report of the Company during the year under review.

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 your Company.

Mahindra First Choice Wheels Limited

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, all the other stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

Ashutosh Pandey
Managing Director & CEO
DIN : 08166731

Amit Kumar Sinha
Director
DIN : 09127387

Mumbai, 29th April,2023 Mumbai, 29th April,2023

**ANNEXURE I TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2023**

**MMJB & Associates LLP
Company Secretaries
Ecstasy, 803/804, 8th Floor,
City of Joy, J.S.D Road,
Mulund (West), Mumbai- 400080, (T) 022-21678100**

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra First Choice Wheels Limited
Gateway Bldg., Apollo Bunder,
Mumbai - 400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Mahindra First Choice Wheels Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

Mahindra First Choice Wheels Limited

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; **(Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)** and
- (vi) As identified, no law is specifically applicable to the company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder, **(Not Applicable to the Company during the Audit Period)**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in one case where meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has

1. Increased its authorised share capital from ₹165,00,00,000 divided into 9,00,00,000 Equity Shares of ₹10/- (Rupees Ten) each and 7,50,00,000 0.001% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of ₹10/- each to ₹170,00,00,000 divided into 9,50,00,000 Equity Shares of ₹10/- (Rupees Ten) each and 7,50,00,000 0.001% NCCCPS of ₹10/- each by creation of additional 50,00,000 Equity Shares of ₹ 10/- each and consequent alteration of Clause V of the Memorandum of Association of the Company by passing shareholder resolution at Extra-Ordinary General Meeting held on June 07, 2022.
2. Allotted 1,26,00,000 0.001% Non-Cumulative Compulsorily Convertible Preference Shares of face value of ₹10 each on a preferential basis.

Mahindra First Choice Wheels Limited

3. Issued and allotted 83,33,333 Equity Shares of face value of ₹ 10 each on a Right basis.

**For MMJB & Associates LLP
Company Secretaries**

**Bhavisha Jewani
Designated Partner**

FCS: 8503

CP: 9346

PR: 2826/2022

UDIN: F008503E000225599

Date: April 29, 2023

Place: Mumbai

*This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Mahindra First Choice Wheels Limited

'Annexure A'

To
The Members,
Mahindra First Choice Wheels Limited
Gateway Bldg., Apollo Bunder,
Mumbai - 400001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MMJB & Associates LLP
Company Secretaries

Bhavisha Jewani
Designated Partner

FCS: 8503

CP: 9346

PR: 2826/2022

UDIN: F008503E000225599

Date: April 29, 2023

Place: Mumbai

**ANNEXURE II A TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023**

**POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT
PERSONNEL 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 First Choice Wheels Ltd.

“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 includes

- (i) the Chief Executive Officer (CEO) or the managing director (MD) or the manager;
- (ii) the company secretary (CS);
- (iii) the whole-time director(WTD);
- (iv) the Chief Financial Officer(CFO); and
- (v) such other officer, not more than one level below the directors, who is in whole-time employment, designated as key managerial personnel by the Board;

“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 at least 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:

Mahindra First Choice Wheels Limited

- 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:

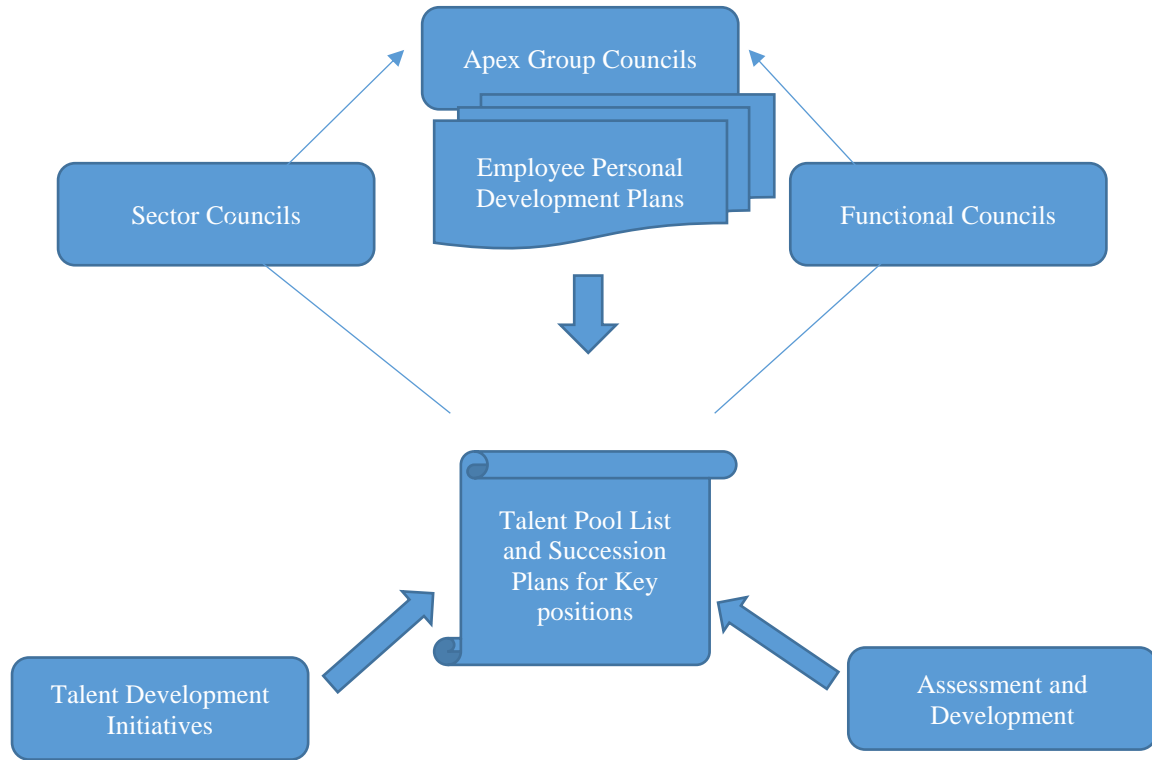
- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage
- b) **Exposure** i.e. coaching and mentoring - 20% weightage
- c) **Education** i.e. learning and development initiatives - 10% weightage

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

Ashutosh Pandey
Managing Director & CEO
DIN : 08166731

Amit Kumar Sinha
Director
DIN : 09127387

Mumbai, 29th April,2023

Mumbai, 29th April,2023

**ANNEXURE II B TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023**

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 First Choice Wheels Ltd.

Policy Statement

We have a well-defined Compensation policy which is in line with our parent Company Mahindra & Mahindra Ltd. for Managing Director, Manager, Key Managerial Personnel and all employees, of the Company. 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 annual 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 Managing Director, Chief Financial Officer (CFO), Company Secretary (CS) & other Key Management personnel, if any, shall be finalised/ 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 all employees from Operational to Executive Band, we benchmark with a set of comparators from the same industry.
- b. For Strategic band and above, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.

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
- ❖ Longevity in grade

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.

Mahindra First Choice Wheels Limited

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors and Promoter) 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

Ashutosh Pandey	Amit Kumar Sinha
Managing Director & CEO	Director
DIN : 08166731	DIN : 09127387

Mumbai, 29th April,2023 **Mumbai, 29th April,2023**

**ANNEXURE III TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2023**

PARTICULARS AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2023.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy:

Though the activities of the Company are not power intensive, various measures are taken to contain and bring about saving in power consumption through improved operational methods, better house-keeping and awareness programs.

- (ii) the steps taken by the Company for utilizing alternate sources of energy: **Not Applicable**

- (iii) the capital investment on energy conservation equipment: **Nil**

(B) Technology absorption:

- (i) the efforts made towards technology absorption: **None**

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **Not Applicable**

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year: **Not Applicable**

(a) the details of technology imported:

(b) the year of import

(c) whether the technology been fully absorbed:

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

- (iv) the expenditure incurred on Research and Development: **Nil**

(C) Foreign exchange earnings and Outgo: (In terms of actual inflow and outflow)

Foreign exchange earnings and outgo:

	<i>(Rupees in Lakhs)</i>	
	For the year ended 31st March, 2023	For the year ended 31 st March, 2022
Foreign Currency Earnings	1,169.86	1,138.10
Foreign Exchange Outgo	316.33	164.43

For and on behalf of the Board

Ashutosh Pandey
Managing Director & CEO

DIN : 08166731

Mumbai, 29th April, 2023

Amit Kumar Sinha
Director

DIN: 09127387

Mumbai, 29th April, 2023

**ANNEXURE IV TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023**

Details of the Employees Stock Option Scheme pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014:

Sr. No.	Particulars	ESOS 2010	ESOS 2015
(a)	options granted	49,628	6,56,399
(b)	options vested	94,222	1,17,215
(c)	options exercised	-	-
(d)	the total number of shares arising as a result of exercise of option	-	-
(e)	options lapsed	45,487	5,06,837
(f)	the exercise price	Rs. 10/-	Rs. 10/-
(g)	variation of terms of options	Nil	Nil
(h)	money realized by exercise of options	-	-
(i)	total number of options in force as at 31 st March 2023	29,14,929	17,77,583
(j)	(i) employee wise details of options granted to key managerial personnel	-	-
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	49,628	2,50,427
	Total Number of employees	1 MFCWL Employee and 2 Employees of 100% subsidiary Fifth Gear Ventures Limited	2 MFCWL Employees
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-

For and on behalf of the Board

Ashutosh Pandey
Managing Director & CEO
DIN : 08166731
Mumbai, 29th April,2023

Amit Kumar Sinha
Director
DIN: 09127387
Mumbai, 29th April,2023

**ANNEXURE V TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023**

LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investment under Section 186 of the Companies Act, 2013, for the year under review, is as under:

Sr. No.	Date of making loan/Investment	Details of Borrower	Amount (Rs. In Lakhs)	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Rate of Interest
Loans Given:						
1				NIL		
Guarantee Given:						
1				NIL		
Investment Made:						
1	07-12-2022	Fifth Gear Ventures Limited	3,599.99	NA	NA	NA

For and on behalf of the Board

Ashutosh Pandey
Managing Director & CEO
DIN : 08166731
Mumbai, 29th April,2023

Amit Kumar Sinha
Director
DIN: 09127387
Mumbai, 29th April,2023

**ANNEXURE VI TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023**

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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.: Nil
2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Name(s) of the related party & nature of relationship	Nature of Transaction	Duration of the transaction	Salient terms of the transaction, including the value if any (Rs. in Lakhs)	Date of approval by the Board	Amount paid as advances , if any	
1	Mahindra and Mahindra Financial Services Limited Fellow Subsidiary Company	Purchase of Trading Goods	2022-23	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	18011	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not required	Nil

Note: For the purpose of materiality, the following criteria have been considered.

- Contracts/transactions/arrangements for sale, purchase, or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of turnover of the Company is considered as material for the purpose of disclosure.
- Contracts/transactions/arrangements for selling or otherwise disposing of or buying property of any kind, directly or through the appointment of agent, amounting to 10% or more of net worth of the Company is considered as material for the purpose of disclosure.
- Contracts/transactions/arrangements for leasing of property of any kind amounting to 10 % or more of turnover of the Company is considered as material.

Mahindra First Choice Wheels Limited

- Contracts/transactions/arrangements for availing or rendering of services amounting to 10% or more of turnover of the Company is considered as material for the purpose of disclosure.

For and on behalf of the Board

Ashutosh Pandey
Managing Director & CEO
DIN : 08166731
Mumbai, 29th April,2023

Amit Kumar Sinha
Director
DIN: 09127387
Mumbai, 29th April,2023

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditor's Report

To the Members of Mahindra First Choice Wheels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra First Choice Wheels Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

Registered Office:

Independent Auditor's Report (Continued)

Mahindra First Choice Wheels Limited

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Independent Auditor's Report (*Continued*)

Mahindra First Choice Wheels Limited

safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 25 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 35(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B S R & Co. LLP

Independent Auditor's Report (Continued)

Mahindra First Choice Wheels Limited

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Nupur Ashar

Partner

Place: Mumbai

Date: 29 April 2023

Membership No.: 136565

ICAI UDIN:23136565BGZFPN6334

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra First Choice Wheels Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except for stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:
 - (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided advances in the nature of loans to any other entity as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra First Choice Wheels Limited for the year ended 31 March 2023 (Continued)

Particulars	Advances in nature of loans (Rs. In lakhs)
Aggregate amount during the year -Subsidiary	2,939.41
Balance outstanding as at balance sheet date -Subsidiary	NIL

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of advances in the nature of loan given to subsidiary company is repayable on demand. During the current year, the subsidiary company has repaid the entire balance of advances in nature of loan to the Company. The payment of interest has been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"). During the current year, the Company has recalled the entire balance of advance in nature of loan.

	Subsidiary Company (Rs. in Lakhs)
Aggregate of loans/advances in nature of loan - Repayable on demand	2,939.41
Percentage of loans/advances in nature of loan to the total loans	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra First Choice Wheels Limited for the year ended 31 March 2023 (Continued)

Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Duty of customs, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Tax deducted at source and provident fund.

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Sales Tax and Value Added Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Amount deposited under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	62.99	NIL	AY 2008-09, AY 2013-14 & AY 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.11	NIL	AY 2018-19	Income tax Officer
Income Tax Act, 1961	Income Tax	21.71	21.71	AY 2021-22	Deputy Commissioner of Income Tax
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	35.49	18.45	FY 2005-06 to FY 2007-08, FY 2009-10 to FY 2010-11	Maharashtra Sales Tax Tribunal

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra First Choice Wheels Limited for the year ended 31 March 2023 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Amount deposited under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	97.12	5.18	FY 2005-06 to FY 2007-08, FY 2009-10 to FY 2010-11	Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	679.59	52.89	FY 2008-09, FY 2012-13 & FY 2016-17	Joint Commissioner of Sales Tax (Appeals)
Goods and Service Tax Act, 2017	Goods and Service Tax	12.22	5.00	FY 2018-19	Joint Commissioner of GST (Appeals)
The Kerala Value Added Tax Rules, 2005	Value Added Tax	1.55	1.16	FY 2007-08	Commercial Tax Officer

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised any funds on short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra First Choice Wheels Limited for the year ended 31 March 2023 (Continued)

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has four CICs as part of the Group
- (xvii) The Company has incurred cash losses of Rs 9,887.93 lakhs in the current financial year and Rs 1,921.10 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios,

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Mahindra First Choice Wheels Limited for the year ended 31 March 2023
(Continued)**

ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

Nupur Ashar

Partner

Place: Mumbai

Membership No.: 136565

Date: 29 April 2023

ICAI UDIN:23136565BGZFPN6334

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra First Choice Wheels Limited for the year ended 31 March 2023

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

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

Opinion

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

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

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

B S R & Co. LLP

**Annexure B to the Independent Auditor's Report on the financial statements of Mahindra First Choice Wheels Limited for the year ended 31 March 2023
(Continued)**

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Nupur Ashar

Partner

Place: Mumbai

Membership No.: 136565

Date: 29 April 2023

ICAI UDIN:23136565BGZFPN6334

MAHINDRA FIRST CHOICE WHEELS LIMITED

CIN: U64200MH1994PLC083996

Balance Sheet

As at 31 March 2023

(Currency : Indian rupees in lakhs)

	Note No.	31 March 2023	31 March 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,628.37	1,107.84
Goodwill		113.00	113.00
Other intangible assets	4	12.54	26.86
Intangible assets under development	4A	1,021.43	690.31
Financial assets			
(i) Investments	5	10,097.68	6,511.64
(ii) Loans	6	326.61	329.95
(iii) Other financial assets	7	190.76	152.30
Income tax assets		1,350.15	1,364.12
Other non-current assets	8	110.93	90.57
		14,851.47	10,386.59
CURRENT ASSETS			
Inventories		3,421.75	4,170.29
Financial assets			
(i) Investments	5	58.09	-
(ii) Trade receivables	9	11,483.18	11,534.17
(iii) Cash and cash equivalents	10	5,503.37	1,192.62
(iv) Bank balances other than (iii) above	10	9.44	118.24
(v) Loans	6	5,057.69	14.65
(vi) Other financial assets	7	4,238.69	171.28
Other current assets	8	3,107.60	3,976.33
		32,879.81	21,177.58
		47,731.28	31,564.17
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	8,784.32	7,950.99
Other equity			
Equity component of compound financial instruments	12A	7,287.75	6,027.75
Reserves and Surplus	12B	11,189.02	33.88
Items of other comprehensive income	12C	27.01	25.71
		27,288.10	14,038.33
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Lease liabilities		585.75	160.18
(ii) Other financial liabilities	13	308.91	308.91
Provisions	14	1,474.09	1,234.59
Deferred tax liabilities (Net)	15	20.79	20.80
		2,389.54	1,724.48
CURRENT LIABILITIES			
Financial liabilities			
(i) Lease liabilities		602.83	499.65
(ii) Trade payables			
(a) Total outstanding dues of Micro Enterprises and Small Enterprise:	16	10.94	70.76
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	16	11,108.51	9,596.13
(iii) Other financial liabilities	13	3,452.58	3,418.90
Other current liabilities	17	2,601.25	2,000.53
Provisions	14	277.53	215.39
		18,053.64	15,801.36
		47,731.28	31,564.17
TOTAL EQUITY AND LIABILITIES			

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Nupur Ashar
Partner
Membership number: 136565

Ashutosh Pandey
Managing Director & Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN : 09127387

Place : Mumbai
Date: 29 April, 2023

V. Janakiraman
Chief Financial Officer
Membership number: 029222
PAN: AAQPJ2356L

Anita Halbe
Company Secretary
A13962
PAN: ABHPH4969H

MAHINDRA FIRST CHOICE WHEELS LIMITED

CIN: U64200MH1994PLC083996

Statement of Profit and Loss

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

	Note No.	31 March 2023	31 March 2022
INCOME			
Revenue from operations	18	1,10,166.13	84,911.33
Other income	19	1,146.25	624.64
Total Income		1,11,312.38	85,535.97
EXPENSES			
Purchases of stock-in-trade		80,766.68	60,520.90
Changes in inventories of stock-in-trade	20	748.54	(2,010.93)
Employee benefits expense	21	11,929.77	9,258.74
Finance costs	22	64.43	72.64
Depreciation and amortisation expense	3 & 4	938.77	781.67
Other expenses	23	27,919.90	19,990.43
Total Expenses		1,22,368.09	88,613.45
(Loss) before tax		(11,055.71)	(3,077.48)
Tax Expense			
Current tax		-	-
Deferred tax	15	(0.01)	(1.57)
Adjustment in respect of earlier years		-	94.10
Total tax expense		(0.01)	92.53
(Loss) for the year		(11,055.70)	(3,170.01)
Other comprehensive (loss)/profit			
Items that will not be reclassified to profit or loss and its related income			
(i) Remeasurements of the defined benefit plans		14.23	23.56
(ii) Equity instruments through other comprehensive income		(12.93)	(0.02)
Total other comprehensive income		1.30	23.54
Total comprehensive (loss) for the year		(11,054.40)	(3,146.47)
Earnings per equity share:			
(Face value Rs. 10/- per share) (Rupees)			
Basic and Diluted	24	(13.06)	(3.99)

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

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

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Nupur Ashar
Partner
Membership number: 136565

Ashutosh Pandey
Managing Director & Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN : 09127387

Place : Mumbai
Date: 29 April, 2023

V. Janakiraman
Chief Financial Officer
Membership number: 029222
PAN: AAQPJ2356L

Anita Halbe
Company Secretary
A13962
PAN: ABHPH4969H

MAHINDRA FIRST CHOICE WHEELS LIMITED

CIN: U64200MH1994PLC083996

Statement of Changes in Equity

As at 31 March 2023

(Currency : Indian rupees in lakhs)

	31 March 2023	31 March 2022
A (i) Equity share capital		
Issued, subscribed and paid up		
Balance as at the beginning of the year	7,950.99	8,244.03
Add: Equity shares issued during the year	833.33	-
Less: Allotment of shares by ESOP Trust to employees	-	293.04
Balance as at the end of the year	8,784.32	7,950.99
(ii) Preference share capital		
Balance as at the beginning of the year	6,027.75	6,027.75
Add: Preference shares issued during the year	1,260.00	-
Balance as at the end of the year	7,287.75	6,027.75

B. Other Equity	Reserves and Surplus		Items of other comprehensive income				Total
	Retained Earnings	Securities Premium	Share options outstanding account	Equity instruments through other comprehensive income	Remeasurements of the defined benefit obligations	Non Cumulative Compulsory Convertible Preference Shares (NCCCPS)	
Balance as at 31 March 2021	(19,040.90)	22,215.09	76.58	12.95	(10.78)	-	3,252.94
Loss for the year	(3,170.01)	-	-	-	-	-	(3,170.01)
Remeasurements of the defined benefit plans	-	-	-	-	23.56	-	23.56
Equity instruments through other comprehensive income	-	-	-	(0.02)	-	-	(0.02)
Equity/Pref. shares issued during the year	-	-	-	-	-	6,027.75	6,027.75
Total Comprehensive income for the year	(22,210.91)	22,215.09	76.58	12.93	12.78	6,027.75	6,134.22
Share based payment to employees	-	-	24.48	-	-	-	24.48
Preference Shares - Issuance Cost	(71.36)	-	-	-	-	-	(71.36)
Balance as at 31 March 2022	(22,282.27)	22,215.09	101.06	12.93	12.78	6,027.75	6,087.34
Loss for the year	(11,055.70)	-	-	-	-	-	(11,055.70)
Remeasurements of the defined benefit plans	-	-	-	-	14.23	-	14.23
Equity instruments through other comprehensive income	-	-	-	-	-	-	-
Equity/Pref. shares issued during the year	-	-	-	-	-	1,260.00	1,260.00
Loss on sale of long term investment	-	-	-	(12.93)	-	-	(12.93)
Total Comprehensive income for the year	(33,337.97)	22,215.09	101.06	(0.00)	27.01	7,287.75	(3,694.13)
Share based payment to employees	-	-	44.16	-	-	-	44.16
Equity shares issued during the year	-	22,166.67	-	-	-	-	22,166.67
Balance as at 31 March 2023	(33,337.97)	44,381.76	145.23	(0.00)	27.01	7,287.75	18,516.70

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Mahindra First Choice Wheels Limited

Nupur Ashar

Partner

Membership number: 136565

Ashutosh Pandey

Managing Director & Chief Executive Officer

DIN 08166731

Amit Kumar Sinha

Director

DIN : 09127387

V. Janakiraman

Chief Financial Officer

Membership number: 029222

PAN: AAQPJ2356L

Anita Halbe

Company Secretary

A13962

PAN: ABHPH4969H

Place : Mumbai

Date: 29 April, 2023

MAHINDRA FIRST CHOICE WHEELS LIMITED

CIN: U64200MH1994PLC083996

Cash Flow Statement

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

	31 March 2023	31 March 2022
A. Cash flows from operating activities		
(Loss) before tax	(11,055.71)	(3,077.48)
<u>Adjustments for:</u>		
Finance costs	64.43	72.64
Interest income	(593.79)	(222.51)
Dividend income	(0.10)	-
Loss on property, plant and equipment sold/scrapped/written off (net)	-	42.84
Net gain recorded in profit or loss on sale of Mutual Funds	(114.77)	(19.64)
Bad debts written off	1,401.58	131.74
Sundry balances written back	(383.43)	(338.85)
Allowance for expected credit losses	432.25	425.33
Provision for doubtful advances	818.34	288.22
Depreciation and amortisation expense	938.77	781.67
Share based payment expenses	44.16	24.48
Total	2,607.44	1,185.92
Operating loss before working capital changes	(8,448.27)	(1,891.56)
Movements in working capital:		
(Increase) in trade receivables	(1,399.42)	(2,915.41)
Decrease/(increase) in inventories	748.54	(2,010.93)
(Increase) in other assets	(3,054.76)	(1,380.52)
Increase in trade payables	1,452.55	3,165.37
(Decrease)/increase in borrowings - lease liabilities	528.74	(483.76)
Increase in provisions	315.86	410.43
Increase /(decrease) in other current liabilities	571.65	(285.70)
	(836.84)	(3,500.51)
Cash (used in) operations	(9,285.11)	(5,392.07)
Income taxes refund/(direct taxes paid)	13.97	(465.37)
Net cash (used in) operating activities (A)	(9,271.14)	(5,857.44)
B. Cash flows from investing activities		
Inter corporate deposits given	(5,000.00)	-
Inter corporate deposits matured	-	2,500.00
Payments to acquire mutual funds	(14,453.02)	(3,099.85)
Proceeds on sale of mutual funds	14,509.49	3,119.49
Bank deposits placed	(24,801.35)	(5,245.15)
Bank deposits matured	24,906.42	5,402.59
Payments to acquire non-current investments in subsidiary	(3,599.99)	(2,999.98)
Proceeds on sale of shares of The Zoroastrian Co-op. Bank Ltd.	1.00	-
Interest received	358.79	221.91
Dividends received	0.10	-
Payments to acquire property, plant and equipment and other intangible assets	(1,846.43)	(900.34)
Proceeds from sale of property, plant and equipment	11.29	6.43
Net cash (used in) investing activities (B)	(9,913.70)	(994.89)

MAHINDRA FIRST CHOICE WHEELS LIMITED

CIN: U64200MH1994PLC083996

Cash Flow Statement

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

	31 March 2023	31 March 2022
C. Cash flows from financing activities		
Payment for principal portion of lease liability	(764.41)	(619.63)
Proceeds from Preference Shares Infusion	24,260.00	6,027.75
Net cash generated financing activities (C)	23,495.59	5,408.12
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	4,310.75	(1,444.21)
Cash and cash equivalents at the beginning of the year	1,192.62	2,636.84
Cash and cash equivalents at the end of the year	5,503.37	1,192.62

Notes to the statement of cash flows:

(a) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows"

(b) Cash and cash equivalents

Components of cash and cash equivalents:-

	31 March 2023	31 March 2022
Cash on hand	0.17	0.41
Balance with banks:		
In current accounts	5,503.20	1,192.21
Balances as per statement of cash flows	5,503.37	1,192.62

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Mahindra First Choice Wheels Limited

Nupur Ashar

Partner

Membership number: 136565

Ashutosh Pandey

Managing Director & Chief Executive Officer

DIN 08166731

Amit Kumar Sinha

Director

DIN : 09127387

Place : Mumbai

Date: 29 April, 2023

V. Janakiraman

Chief Financial Officer

Membership number: 029222

PAN: AAQPJ2356L

Anita Halbe

Company Secretary

A13962

PAN: ABHPH4969H

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023

1. Corporate information:

The financial statements comprise financial statements of Mahindra First Choice Wheels Limited (“the Company” or “MFCWL”) for the year ended 31 March 2023. The Company is an unlisted Public Company domiciled in India.

Mahindra First Choice Wheels Limited is principally engaged in the business of facilitating trading in used vehicles through its Franchise network and electronic platform and providing allied products and services, including online pricing guidance, used vehicle inspection and valuation services, yard management services and used vehicles inspection services for insurance.

2. Significant Accounting Policies:

2.1 Statement of Compliance:

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

2.2 Basis of preparation and presentation:

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data.

2.3 Business combinations:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

2.4 Goodwill:

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

Estimated impairment of goodwill

The Company tests annually goodwill for any impairment, in accordance with the above accounting policy. The recoverable amount of cash generating units is determined based on value-in-use calculations. These calculations require the use of estimates.

2.5 Revenue recognition:

Effective 1 April 2018, Ind AS 115 'Revenue from contracts with customers' has replaced Ind AS 18 'Revenue' and Ind AS 11 'Construction contracts'. The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("herein after referred to as Ind AS 115") effective from 1 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company. Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers.

Sale of goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on are as on able credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Sale of Services:

- i) Franchise fee - The Company recognizes revenue from the date of activation of the dealer's account on receipt of security deposit.
- ii) Commission Income - The Company recognizes revenue on receipt of seller's confirmation for auction.
- iii) Vehicle valuation fee - The Company recognizes revenue on release of valuation report.
- iv) Inspection Fee - The Company recognizes revenue on release of inspection report.
- v) Yard Management fees - The Company recognizes revenue on accrual basis of entry of the vehicle in the yard.
- vi) Wholesale Bulk Income – The Company recognizes revenue on issue of release order of vehicle.
- vii) Repo Management Service – The Company recognizes revenue on receipt of seller's confirmation.
- viii) Other Operating Income:
 - Warranty income - The Company recognizes revenue on sale of warranty product of a third-party warranty service provider, with no obligations to the Company. A part of warranty income related to road side assistance is deferred over the period of warranty with the Company being the primary obligor.
 - Registration Income – The Company recognizes revenue over the term of registration.
 - Others – The Company recognizes revenue on satisfaction of performance obligation towards rendering of such services.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

2.6 Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income 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 and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Operating lease rental income:

The income arising from operating leases is accounted on a straight-line basis over the lease terms.

The Company's policy for recognition of revenue from operating leases is described in Note No.- 2.15 below.

2.8 Foreign currencies:

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.9 Employee benefits:

- a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- b) Post-employment benefits
 - i) Defined Contribution Plan: Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

ii) Defined Benefit Plan: Gratuity (unfunded)

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company accounts the gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year which is determined using the Projected Unit Credit method. Actuarial gains and losses are recognised in the Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested.

c) Other long-term employment benefits – Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

2.10 Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 Taxation:

a) Current tax

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.

b) Deferred tax

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

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 for the year

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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Property, plant and equipment:

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. Costs comprise purchase price net of any trade discounts and rebates and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses directly attributable to acquisition of assets up to the date the asset is ready for its intended use

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) 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.

Estimated useful life of the assets are given below:

- Leasehold improvements over the period of the lease.
- Office equipment - 2 to 5 years.
- Furniture & Fixtures - 1 to 10 years.
- Computers and servers - 3 to 8 years.
- Vehicles - 3 years for used vehicles or 5 years for new vehicles.
- Plant and equipment - 5 to 15 years.
- Electrical Fitting - 2 to 5 years.

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.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

2.13 Intangible assets:

a) Intangible assets acquired separately:

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

b) Intangible assets under development:

The Company capitalise costs incurred during IT Development phase, such expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

The expenditure incurred is amortised over the estimated period of benefit. The amortisation period for intangible assets with finite useful lives are reviewed annually and changes in expected useful lives are treated as changes in estimates.

c) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from 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) Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

Software	5 years
Website	5 years
Non-Compete Fees	Contractual Terms
Market Information	Contractual Terms
Customer Relationships	7 years
Service Provider Contracts and intellectual property	3 years

2.14 Impairment of tangible and intangible assets other than goodwill:

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, these 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.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Leases:

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.16 Inventories:

Inventories beyond 90 days from the date of valuation or purchase except for stock held as part of Pilot Projects and Finance funding cases, as the case may be, are valued at Cost or Net Realisable Value whichever is lower.

2.17 Provisions and Contingencies:

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).

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

2.18 Financial Instruments

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

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

2.19 Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised 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.

Financial assets are subsequently measured at fair value.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 *(Continued)*

- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

2.20 Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

c) Financial liabilities

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

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

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 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.

De-recognition of financial liabilities

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

2.21 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 recognized 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes to the financial statements for the year ended 31 March 2023 (Continued)

Useful lives of Property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Vehicles - 3 years in case of used vehicles or 5 years in case of new vehicles.

Recent Pronouncements

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments.

- Ind AS 16, Property, Plant and Equipment

Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

- Ind AS 103, Business combinations

References to the conceptual framework

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

- Ind AS 109, Financial Instruments

Fees included in the 10% test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- Ind AS 41, Agriculture

Taxation in fair value measurements

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

3. Property, plant and equipment

Carrying Amount of:	As at 31 March 2023	As at 31 March 2022
Improvements to Leasehold Property	9.80	20.70
Office Equipment	31.58	44.52
Furniture and Fixtures	34.17	3.64
Electrical Fittings	3.11	0.65
Computers	293.92	366.74
Vehicles	118.78	108.12
Total - (a)	491.36	544.37
Right-of-use asset	1,137.01	563.47
Total	1,628.37	1,107.84

(a) Property, plant and equipment (owned)

Description of Assets	Improvements to Leasehold Property	Office Equipment	Furniture and Fixtures	Electrical Fittings	Computers	Vehicles	Total
Cost							
Balance as at 01 April 2021	56.17	207.87	10.79	154.17	821.70	141.05	1,391.75
Additions during the year	-	6.62	-	-	252.84	92.05	351.51
Disposal during the year	-	103.96	1.81	151.51	139.12	37.58	433.98
Balance as at 31 March 2022	56.17	110.53	8.98	2.66	935.42	195.52	1,309.28
Additions during the year	-	8.45	33.72	3.15	115.40	67.89	228.61
Disposal during the year	-	-	-	-	114.27	29.26	143.53
Balance as at 31 March 2023	56.17	118.98	42.70	5.81	936.55	234.15	1,394.36
Accumulated depreciation							
Balance as at 01 April 2021	24.57	141.50	8.64	98.08	546.35	85.60	904.74
Depreciation expense for the year	10.90	22.89	1.69	29.45	147.44	32.60	244.97
Disposal during the year	-	98.38	4.99	125.52	125.11	30.80	384.80
Balance as at 31 March 2022	35.47	66.01	5.34	2.01	568.68	87.40	764.91
Depreciation expense for the year	10.90	21.39	3.19	0.69	182.33	51.83	270.33
Disposal during the year	-	-	-	-	108.38	23.86	132.24
Balance as at 31 March 2023	46.37	87.40	8.53	2.70	642.63	115.37	903.00
Net carrying amount							
Net carrying amount as at 31 March 2022	20.70	44.52	3.64	0.65	366.74	108.12	544.37
Net carrying amount as at 31 March 2023	9.80	31.58	34.17	3.11	293.92	118.78	491.36

(b) Right of use assets

Description of Assets	Property	Vehicles	Total
Cost			
Balance as at 01 April 2021	1,929.47	-	1,929.47
Additions during the year	53.97	-	53.97
Disposal during the year	-	-	-
Balance as at 31 March 2022	1,983.44	-	1,983.44
Additions during the year	1,058.78	170.27	1,229.05
Disposal during the year	738.33	-	738.33
Balance as at 31 March 2023	2,303.89	170.27	2,474.16
Accumulated depreciation			
Balance as at 01 April 2021	904.06	-	904.06
Depreciation expense for the year	515.91	-	515.91
Disposal during the year	-	-	-
Balance as at 31 March 2022	1,419.97	-	1,419.97
Depreciation expense for the year	633.19	22.32	655.51
Disposal during the year	738.33	-	738.33
Balance as at 31 March 2023	1,314.83	22.32	1,337.15

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

Net carrying amount			
Net carrying amount as at 31 March 2022	563.47	-	563.47
Net carrying amount as at 31 March 2023	989.06	147.95	1,137.01

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

4 . Other intangible assests

Carrying Amount of:	As at	As at
	31 March 2023	31 March 2022
Computer Software	8.06	11.30
Websites	4.47	4.47
Non-Compete Fees	(0.00)	(0.00)
Customer Relationships	(0.00)	11.08
Service Provider Contracts	0.01	0.01
Acquisition of service contracts and Intellectual Property	(0.00)	(0.00)
Total	12.54	26.86

Description of Assets	Computer Software	Websites	Non-Compete Fees	Customer Relationships	Service Provider Contracts	Acquisition of service contracts and Intellectual Property	Total
Cost							
Balance as at 01 April 2021	139.93	450.72	4.00	145.00	25.00	33.50	798.15
Additions during the year	-	-	-	-	-	-	-
Disposal during the year	-	59.75	0.83	-	-	-	60.58
Balance as at 31 March 2022	139.93	390.97	3.17	145.00	25.00	33.50	737.57
Additions during the year	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-
Balance as at 31 March 2023	139.93	390.97	3.17	145.00	25.00	33.50	737.57
Accumulated amortisation expenses							
Balance as at 01 April 2021	124.17	446.04	3.99	113.21	24.99	33.49	745.89
Amortisation expense during the year	4.46	0.13	-	20.71	-	0.01	25.31
Disposal during the year	-	59.67	0.82	-	-	-	60.49
Balance as at 31 March 2022	128.63	386.50	3.17	133.92	24.99	33.50	710.71
Amortisation expense during the year	3.24	-	-	11.08	-	-	14.32
Disposal during the year	-	-	-	-	-	-	-
Balance as at 31 March 2023	131.87	386.50	3.17	145.00	24.99	33.50	725.03
Net carrying amount							
Net carrying amount as at 31 March 2022	11.30	4.47	(0.00)	11.08	0.01	(0.00)	26.86
Net carrying amount as at 31 March 2023	8.06	4.47	(0.00)	(0.00)	0.01	(0.00)	12.54

4 A. Intangible assets under development

Carrying amount of:	As at 31 March 2023	As at 31 March 2022
Intangible assets under development	1,021.43	690.31
Total	1,021.43	690.31

Intangible assets under development (IAUD) Ageing Schedule

As at 31 March 2023	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	331.12	690.31	-	-	1,021.43
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	499.39	190.92	-	-	690.31
Projects temporarily suspended	-	-	-	-	-

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

5. Investments

	31 March 2023		31 March 2022		Current
	Number of shares	Non-current	Number of shares	Non-current	
A. Fair value through Other Comprehensive Income					
<i>Unquoted (fully paid-up)</i>					
Equity shares in The Zoroastrian Co-operative Bank Ltd. (Face value - Rs 25 per share)	-	-	4,000	13.95	-
B. Investment in Equity Instruments					
<i>Unquoted - At Cost</i>					
<i>In Subsidiary</i>					
Fifth Gear Ventures Limited (Face value Rs 10 per share)	3,07,131	10,097.68	1,98,144	6,497.69	-
C. Fair Value through Profit and Loss					
<i>Quoted Investments in Mutual funds</i>					
<i>Carried at FVTPL</i>					
HDFC Liquid Fund - Growth	1,759	-	-	-	-
	3,08,890	10,097.68	2,02,144	6,511.64	-

Other disclosures

Aggregate amount of unquoted investments	10,097.68	-	6,511.64	-
Aggregate amount of quoted investments	-	58.09	-	-
Aggregate Market value of quoted investments	-	58.09	-	-
Aggregate amount of impairment in the value of investments	-	-	-	-

Refer Note 26 and 28 for disclosures related to liquidity risk and related financial instrument disclosures.

6. Loans

	31 March 2023		31 March 2022	
	Non-current	Current	Non-current	Current
Loans to related parties				
Unsecured, considered good				
Employee Stock Option Scheme Trust	319.19	-	319.19	-
Other Loans				
Unsecured, considered good				
Corporate deposits with HDFC Ltd.	-	5,000.00	-	-
Loans to employees	7.42	57.69	10.76	14.65
	326.61	5,057.69	329.95	14.65

Except for above loans to related parties, there are no loans due by directors or other officers of the Company or any of them severally or jointly with other persons or amounts due by firms or private Companies in which any director is a partner or a director or a member.

Refer note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

7. Other financial assets

	31 March 2023		31 March 2022	
	Non- Current	Current	Non- Current	Current
Security Deposits				
Unsecured, considered good				
Doubtful	182.88	213.98	148.14	165.42
Less: Allowance for expected credit loss	0.29	-	13.68	-
	182.88	213.98	148.14	165.42
Financial assets at amortised cost:				
Bank Deposits with more than 12 months maturity	7.88	-	4.16	-
Interest accrued but not due	-	240.86	-	5.86
Other financial assets*	-	3,783.85	-	-
	190.76	4,238.69	152.30	171.28

Refer Note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

* Includes trade financing to select dealers with a return commensurate with performance.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

8. Other non financial assets

	31 March 2023		31 March 2022	
	Non- Current	Current	Non- Current	Current
Capital advances	-	3.71	-	-
Balance with Government authorities (other than income taxes)	98.61	-	90.57	-
Advances to Suppliers				
Considered good	-	2,087.51	-	3,493.02
Doubtful	-	832.30	-	288.22
Less: Provision for doubtful advances	-	(832.30)	-	(288.22)
	-	2,087.51	-	3,493.02
Prepaid Expenses	12.32	317.22	-	458.84
Deferred Expenses	-	42.91	-	24.47
Goods and Services Tax (GST)	-	656.25	-	-
TOTAL	110.93	3,107.60	90.57	3,976.33

9. Trade receivables

	31 March 2023	31 March 2022
Unsecured, considered good	11,483.18	11,534.17
Doubtful	580.57	926.43
Less: Allowance for expected credit loss	(580.57)	(926.43)
	11,483.18	11,534.17
Dues from related parties	745.52	677.22

Except for above dues from related parties, there are, no trade or other receivables due from directors or other officers of the Company either severally or jointly with any other person and no trade or other receivable due from firms or private companies respectively in which any director is a partner or a director or a member.

As at 31 March 2023	Outstanding for following periods from date of invoice						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,925.34	6,530.82	1,069.87	911.44	45.71	-	11,483.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	100.00	149.73	330.84	580.57
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Trade Receivables Ageing Schedule F23	2,925.34	6,530.82	1,069.87	1,011.44	195.44	330.84	12,063.74

As at 31 March 2022	Outstanding for following periods from date of invoice						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,338.64	8,697.06	453.83	44.64	-	-	11,534.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	539.03	256.69	130.71	926.43
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Trade Receivables Ageing Schedule F22	2,338.64	8,697.06	453.83	583.67	256.69	130.71	12,460.60

Refer Note 26 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

10. Cash and bank balances

	31 March 2023	31 March 2022
Cash and cash equivalents		
Balances with banks		
- In current accounts	5,503.20	1,192.21
Cash on hand	0.17	0.41
	5,503.37	1,192.62
Other bank balances		
Balances with Banks:		
- Fixed deposits with original maturity greater than 3 months but less than 12 months	9.44	118.24
	9.44	118.24

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

11. Equity share capital

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised:				
Number of equity shares of face value Rs 10 each	9,50,00,000	9,500.00	9,00,00,000	9,000.00
Number of Preference Shares of face value Rs.10 each	7,50,00,000	7,500.00	7,50,00,000	7,500.00
Issued, subscribed and paid up:				
Number of equity Shares of face value Rs 10 each fully paid up	9,07,73,504	9,077.36	8,24,40,171	8,244.03
Equity Shares				
Less: Equity shares of Rs 10 each fully paid up issued to ESOP Trust constituted under the Employees' Stock Option Scheme (ESOS) but not yet allotted to employees	29,30,401	293.04	29,30,401	293.04
Total Equity Share Capital	8,78,43,103	8,784.32	7,95,09,770	7,950.99
0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid	6,02,77,500	6,027.75	6,02,77,500	6,027.75
Add: Issued During the year	1,26,00,000	1,260.00	-	-
	7,28,77,500	7,287.75	6,02,77,500	6,027.75

Note:

The reduction of Rs 293.04 lakhs (29,30,401 Equity shares of Rs 10/- each), (As at 31 March 2020 – Rs. 293.04 lakhs (29,30,401 equity shares of Rs 10/- each)) and Rs 15.87 lakhs (As at 31 March 2020 – Rs 15.87 lakhs) from securities premium are in respect of 3,17,423 Equity Shares of face value Rs 10 each issued at a premium in earlier years, held by ESOS Trust as per the Employee Stock Option Scheme (ESOS).

For details of shares reserved for issue under the Share based payment plan of the company, Refer Note No.- 21A.

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up:				
Equity Share Capital				
Balance at the beginning of the year	8,24,40,171	8,244.03	8,24,40,171	8,244.03
Add: shares issued during the year	83,33,333	833.33	-	-
Adjusted Issued, Subscribed and Paid up share capital	9,07,73,504	9,077.36	8,24,40,171	8,244.03

Terms/ rights 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 shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to Preference Shares

During the year, the Company has Non cumulatative Compulsarily Convertiable preference shares having par value of Rs. 10 per share.

Conversion: The Conversion shall be mandatorily made on the earlier of i) next round of external investment in the Company or ii) end of 24 months from the date of allotment of NCCCPS. The Conversion shall be at a price/rate which is at 10% discount to the value per share as per the valuation at the time of such fund infusion, subject to necessary compliances under FEMA and also subject to minimum floor price of Rs. 223 per NCCCPS. The discount of 10% shall be adjusted to the extent of the dividends paid to the NCCCPS holders. In the event of the next round of fund infusion by an external investment not occurring within the period of 24 months, then at the end of 24 (Twenty Four) months from the date of allotment of the Preference Shares, the NCCCPS would be mandatorily converted into Equity Shares at the minimum floor price of Rs. 223/- (Rupees Two Hundred and Twenty three) per NCCCPS (including a premium of Rs.213 per share).

Dividend: The holders of the NCCPs shall carry a non-cumulative dividend at the fixed rate of 0.001% per year, out of the profits of the company.

Voting and other rights: (i) The preference shares shall carry rights as per the provision of Section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholders shall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

11. Equity share capital (Continued)

(ii) Details of shares held by the holding company and the ultimate holding company

	Number of Shares Equity Shares with Voting rights As at 31 March 2023	Number of Shares Equity Shares with Voting rights As at 31 March 2022
Mahindra Holdings Limited, Holding Company	4,84,71,363	4,02,31,037
Mahindra & Mahindra Limited, Ultimate Holding Company	-	-

(iii) The details of shares held by each shareholder holding more than 5% shares:

Equity Shares Name of the shareholder	31 March 2023		31 March 2022	
	No. of shares	% held	No. of shares	% held
Mahindra Holdings Limited	4,84,71,363	53.40%	4,02,31,037	48.80%
PHI Management Solutions Pvt Ltd	1,61,84,054	17.83%	1,61,84,054	19.63%
Valiant Mauritius Partners FDI Limited	1,09,28,388	12.04%	1,09,28,388	13.26%
Manheim Export SARL	73,25,181	8.07%	73,25,181	8.89%

Preference Shares Name of the shareholder	31 March 2023		31 March 2022	
	No. of shares	% held	No. of shares	% held
Mahindra Holdings Limited	6,62,13,008	90.86%	5,36,13,008	88.94%
Manheim Export SARL	66,64,492	9.14%	66,64,492	11.06%

(iv) Shares reserved for issue under ESOP options:

ESOPs administered under two schemes by a Trust and the Company, have been granted to certain executives and senior employees which will vest in a period of time ranging from 36 months to 60 months from date of grant. The share option outstanding account is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 21A.

(v) Details of shares held by promoters:

As at 31 March 2023

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	Equity Shares	4,84,71,363	53.40%	4.60%
Mahindra Holdings Limited, Holding Company	Convertible Preference Shares	6,62,13,008	90.86%	1.92%

As at 31 March 2022

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	Equity Shares	4,02,31,037	48.80%	-
Mahindra Holdings Limited, Holding Company	Convertible Preference Shares	5,36,13,008	88.94%	100.00%

(vi) Utilisation of proceeds from issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')

During the current year Company has raised a sum of Rs 1260.00 Lakhs by allotting 1,26,00,000 shares of 0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid.

Particulars	As at 31 March 2023	As at 31 March 2022
Proceeds from the issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')	7,287.75	6,027.75
Utilisation during the year	7,287.75	6,027.75
Balance unutilised amount outstanding	-	-

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

Other equity

	31 March 2023	31 March 2022
12A) Equity component of compound financial instruments		
Equity component of Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	7,287.75	6,027.75
Total	7,287.75	6,027.75

	31 March 2023	31 March 2022
12B) Reserves and Surplus		
Retained earnings	(33,337.97)	(22,282.27)
Securities premium	44,381.76	22,215.09
Share option outstanding account	145.23	101.06
Total	11,189.02	33.88

	31 March 2023	31 March 2022
Retained earnings		
Balance as at the beginning of the year	(22,282.27)	(19,040.90)
(Loss) for the year	(11,055.70)	(3,170.01)
Preference Shares - Issuance Cost	-	(71.36)
Balance at the end of year	(33,337.97)	(22,282.27)

Securities premium

Particulars

Balance as at the beginning of the year	22,215.09	22,215.09
Shares issue at premium	22,166.67	-
Balance as at the end of the year	44,381.76	22,215.09

Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

- i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
- ii) for the purchase of its own shares or other securities;
- iii) in writing off the preliminary expenses of the Company;
- iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
- v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Share option outstanding account

Balance as at the beginning of the year	101.06	76.58
Add:- allotment of shares by ESOP Trust to employees	44.16	24.48
Balance at the end of year	145.22	101.06

The above reserve relates to share options granted by the Company to its employees under its Employee Share Option Plan (ESOP). Further information about share-based payments to its employees is set out in note 21A.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company's revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option outstanding account.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

	31 March 2023	31 March 2022
12C) Items of other comprehensive income		
Equity instruments at fair value through other comprehensive income	-	12.93
Remeasurements of the defined benefit plans	27.01	12.78
Total other equity	27.01	25.71
Equity instruments through other comprehensive income		
Balance as at the beginning of the year	12.93	12.95
Remeasurements of the equity instruments through other comprehensive income	-	(0.02)
Sale of long term investment	(12.93)	-
Balance at the end of year	-	12.93

This reserve represents the cumulative gains arising on the revaluation of equity instruments measured at fair value through other comprehensive income. (FVOCI)

Remeasurements of the defined benefit plans

Balance as at the beginning of the year	12.78	(10.78)
Remeasurements of the defined benefit plans	14.23	23.56
Balance at the end of year	27.01	12.78

This reserve represents the cumulative gains arising on remeasurement of the employee's defined benefit plan.

13. Other financial liabilities

	31 March 2023		31 March 2022	
	Non- Current	Current	Non- Current	Current
Other financial liabilities measured at amortised cost				
Security Deposits *	-	2,513.22	-	2,603.52
Monies adjusted from share capital and reserves and surplus on account of shares held by ESOP trust	308.91	-	308.91	-
Capital creditors	-	202.14	-	139.40
Other employee related liabilities	-	737.22	-	675.98
Total other financial liabilities	308.91	3,452.58	308.91	3,418.90

Note:

* Deposits are re-payable on demand.

Refer Note 26 for disclosures related to liquidity risk and related financial instrument disclosures.

14. Provisions

	31 March 2023		31 March 2022	
	Non- Current	Current	Non- Current	Current
Provision for employee benefits				
- Compensated absences	833.04	191.49	681.55	150.70
- Gratuity (Refer Note 27)	641.05	86.04	553.04	64.69
Total provisions	1,474.09	277.53	1,234.59	215.39

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

15. Deferred tax liabilities (net)

(i) Movement of Deferred Tax

	As at beginning of the year	31 March 2023 Acquired in Business Combination and recognised in Profit and Loss	As at end of the year
Tax effect of items constituting deferred tax liabilities on account of Business combination	(20.80)	0.01	(20.79)

	As at beginning of the year	31 March 2022 Acquired in Business Combination and recognised in Profit and Loss	As at end of the year
Tax effect of items constituting deferred tax liabilities on account of Business combination	(22.36)	1.57	(20.80)

ii) Deferred tax assets have not been recognised in respect of following items, as it is not probable that future taxable profit will be available against which the Company can utilise the benefit therefrom.

	31 March 2023	31 March 2022
Unabsorbed depreciation	2,794.31	2,550.38
Unabsorbed business losses	6,133.01	5,324.89
Total	8,927.32	7,875.27

The unrecognised tax losses carried forward expire as follows:

Expiry Year	31 March 2023	31 March 2022
Financial year 2023-2024	567.39	567.39
Financial year 2024-2025	938.64	938.64
Financial year 2025-2026	2,191.97	2,191.97
Financial year 2026-2027	772.83	772.83
Financial year 2027-2028	783.77	783.77
Financial year 2028-2029	70.29	70.29
Financial year 2029-2030	808.12	-
Total	6,133.01	5,324.89

The income tax expense for the year can be reconciled to the accounting Loss as follows :

	31 March 2023	31 March 2022
Loss before tax	(11,055.71)	(3,077.48)
Income tax expense calculated at 26%	(2,874.48)	(800.14)
Effect of expenses that is non-deductible in determining taxable profit	-	(465.24)
Effect of unused tax losses for which no deferred tax asset is recognised	2,874.48	1,265.38
Income tax expense recognised in Statement of Profit and Loss	-	-

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

As at 31 March 2023

(Currency : Indian rupees in lakhs)

16: Trade payables

	31 March 2023	31 March 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	10.94	70.76
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,108.51	9,596.13
Total Trade Payables	11,119.45	9,666.89

As at 31 March 2023	Outstanding for following periods from date of invoice					Total
	Unbilled*	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	-	10.94	-	-	-	10.94
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	2,009.84	7,622.66	772.36	596.45	107.20	11,108.51
(iii) Disputed dues of Micro enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	-	-	-	-	-	-

As at 31 March 2022	Outstanding for following periods from date of invoice					Total
	Unbilled*	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	-	70.76	-	-	-	70.76
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	4,420.83	3,364.46	1,294.58	295.86	220.40	9,596.13
(iii) Disputed dues of Micro enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	-	-	-	-	-	-

*Unbilled trade payables shall include accruals which are not classified as provisions under Ind AS 37.

Refer Note 26 for disclosures related to liquidity risk and related financial instrument disclosures.

17. Other Non Financial Liabilities

	31 March 2023	31 March 2022
Contract liabilities	1,570.09	1,159.57
Government dues		
i) Provident fund	104.14	91.34
ii) Employees' state insurance and Profession tax	4.45	2.52
iii) Tax deducted at source	468.53	392.24
iv) Goods and Services Tax (GST)	401.96	317.23
v) Others	52.08	37.63
Total other liabilities	2,601.25	2,000.53

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the period ended 31 March 2023

(Currency : Indian rupees in lakhs)

18. Revenue from operations

	31 March 2023	31 March 2022
Revenue from contract with customers :-		
Sale of products	82,983.39	60,408.26
Sale of services	26,235.91	23,841.19
Other operating revenues	946.82	661.88
	1,10,166.13	84,911.33

The management determines that the segment information reported under Note 18 above Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

Reconciliation of revenue from sale of products	31 March 2023	31 March 2022
Revenue as per contracted price	82,983.39	60,408.26
Sales returns	-	-
Rebates/ Discounts	-	-
Sale of products	82,983.39	60,408.26

Contract Balances	31 March 2023	31 March 2022
Trade receivables (Note 9)	11,483.18	11,534.17
Contract assets	-	-
Contract Liabilities (Note 17)	1,570.09	1,159.57

Significant changes in contract assets and liabilities during the period	31 March 2023	31 March 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	1,159.57	1,832.74

Sale of services comprises of:

- Franchisee fees	2,062.93	1,811.94
- Commission income	2,442.70	2,021.23
- Vehicle valuation fees	6,720.29	4,550.47
- Vehicle preinspection fees	1,797.49	1,689.63
- Yard management parking fees	9,491.07	9,868.31
- Indian blue book income	1,265.52	919.03
- Others services *	2,455.91	2,980.58
Revenue from rendering of services	26,235.91	23,841.19

Other operating revenues comprises of:

- Warranty income	560.18	415.37
- Forfeiture of Earnest Money Deposits collected	386.65	246.51
Other operating revenues	946.82	661.88

* During the year, the Company has enabled an unique feature of allowing customers to reserve specific cars online by paying a token amount. This allows the dealers to get highly interested customers to their store and hence increases chances of their conversions to sale, thus adding value for dealers. In lieu of this, the Company charges the dealers a commission of Rupees 2,57,08,292/- of the sale value of the car. However, since this was a pilot program for the first 2 years, against this revenue, the Company spent an equivalent amount in promoting the ECommerce program on behalf of the dealers by offering this as an incentive.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the period ended 31 March 2023

(Currency : Indian rupees in lakhs)

19. Other income

	31 March 2023	31 March 2022
Interest Income (On financial assets measured at amortised cost)		
- On inter-corporate deposits	-	77.92
- Bank deposits	416.56	36.04
- Others	177.23	108.55
Dividend income		
- on investments carried at fair value through other comprehensive income	0.10	-
Operating lease rental income	44.95	43.64
Gain on sale / discardment of Property, plant and equipment	9.21	-
Net gain recorded in profit or loss on sale of Mutual Funds	114.77	19.64
Sundry balances written back (net)	383.43	338.85
Total other income	1,146.25	624.64

20. Changes in inventories of stock-in-trade

Opening Stock-in-trade	4,170.29	2,159.36
Closing Stock-in-trade	3,421.75	4,170.29
Changes in inventories of stock-in-trade	748.54	(2,010.93)

21. Employee benefits expense

Salaries and wages, including bonus (Refer Note 27)	10,758.33	8,624.12
Contribution to provident and other funds (Refer Note 27)	653.77	477.44
Share based payments to employees (see Note 21A)	44.16	24.48
Staff welfare expenses	473.51	132.70
Total Employee benefits expense	11,929.77	9,258.74

21A Employee share option plan of the company

1.1. Details of the employees share option plan of the Company

Mahindra First Choice Wheels Limited has share option schemes under which the employees have an option to subscribe for the Company's shares which have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Each employee share option converts into the equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria from various financial and customer service measures.

The Company has framed an Equity settled "Employee Stock Option Scheme (ESOS), 2010" for its employees. It has a trust viz. Mahindra First Choice Wheels Limited Employees' Stock Option Trust" (ESOS trust), which would hold the shares for the benefit of the eligible employees, including Directors of the Company and its subsidiaries. In addition to the above, the Company has also settled "Employee Stock Option Scheme (ESOS), 2015" for its employees.

The following share-based payment arrangements were in existence during the current and prior years.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

21A Employee share option plan of the company (continued)

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date (Rs per option)
1	23,36,483	04-Oct-10	03-Oct-15	10	0.70
2	4,20,015	31-Aug-12	30-Aug-17	10	2.46
3	7,52,226	25-Apr-13	20-Apr-18	10	2.93
4	2,67,463	02-Sep-13	01-Sep-18	10	2.93
5	16,76,702	30-Jul-15	29-Jul-20	10	0.69
6	1,15,357	27-Jan-16	26-Jan-21	10	0.69
7	3,75,307	25-Oct-16	24-Oct-21	10	1.25
8	33,937	25-Jan-17	24-Jan-22	10	1.25
9	57,348	27-Jul-17	26-Jul-22	10	2.41
10	4,48,180	16-Oct-17	15-Oct-22	10	2.41
11	3,08,555	15-Oct-18	14-Oct-23	10	2.49
12	61,348	16-Jan-19	16-Jan-24	10	2.49
13	1,58,802	21-Oct-19	21-Oct-24	10	4.14
14	2,37,003	09-Dec-19	03-Feb-25	10	4.14
15	32,059	19-Oct-20	19-Oct-25	10	4.04
16	2,42,023	20-Jan-21	20-Jan-26	10	4.04
17	38,351	19-Jan-21	20-Jan-22	10	4.04
18	36,559	29-Apr-21	29-Apr-26	10	7.79
19	4,84,501	22-Jul-21	22-Jul-26	10	7.76
20	4,99,764	28-Jan-22	28-Jan-27	10	15.04
21	4,78,752	29-Apr-22	06-May-27	10	3.73
22	2,27,275	28-Feb-23	28-Feb-28	10	9.46

1.2 Fair value of share options granted in the year

Inputs into the model	Option series																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Grant date share price (Rs.)	5/-	8/-	9/-	9/-	5/-	5/-	6/-	6/-	8/-	8/-	7/-	7/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-
Exercise price (Rs.)	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-
Expected volatility	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Option life (Years)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Dividend yield	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Risk-free interest rate	7.64%-8.38%	8.16%-8.36%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	6.25%	6.25%	5.96%-6.08%	5.96%-6.08%	6.14%-6.77%	6.14%-6.77%	7.39%-7.46%	7.39%-7.46%	7.39%-7.46%

1.3 Movements in share options during the year

The following reconciles share options outstanding at the beginning and end of the year :

	31 March 2023		31 March 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of the year	45,38,809	Rs. 10	40,90,085	Rs. 10
Granted during the year	7,06,027	Rs. 10	10,20,825	Rs. 10
Forfeited during the year	5,52,324	-	5,72,101	-
Exercised during the year	-	-	-	-
Lapsed / expired during the year	-	Rs. 10	-	Rs. 10
Balance at end of the year	46,92,512	Rs. 10	45,38,809	Rs. 10

All outstanding options are exercisable at the end of the respective reporting period.

1.4 Share options outstanding at the end of the year

The share option outstanding at the end of the year had weighted average exercise price of Rs.10 (as at 31 March 2022: Rs. 10), and the weighted average remaining contractual life of 33 months (as at 31 March 2022: 33 months).

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the period ended 31 March 2023

(Currency : Indian rupees in lakhs)

22. Finance cost

	31 March 2023	31 March 2022
Interest expense		
- On leased assets	64.43	72.64
Total Finance cost	64.43	72.64

23. Other Expenses

Power and fuel	50.73	43.31
Repairs and maintenance - others	130.89	197.42
Rent - yards	8,331.55	7,574.26
Rent- others	61.00	90.21
Rates and taxes	4.49	0.59
Warranty related expenses	113.37	56.05
Vehicle valuation expenses	3,177.80	2,186.38
Preinspection expenses	1,497.49	1,391.47
Repo Management expenses	488.32	956.78
Field Inspection expenses	62.60	123.53
Printing and stationary	54.25	36.47
Office expenses	85.02	79.00
Bad debts written off (net)	1,401.58	131.74
Information technology costs	1,842.41	957.79
Internet charges	38.60	42.92
Communication charges	307.45	285.78
Insurance charges	175.74	159.34
Allowance for Expected Credit Losses	432.25	425.33
Provision for doubtful advances	818.34	288.22
Auditor's remuneration and out-of-pocket expenses (See Note below)	31.00	26.00
Director Sitting Fees	11.40	6.75
Professional fees	2,059.54	1,225.19
Advertisement, promotion and selling expenses	4,340.45	2,434.15
Travelling expenses	1,337.35	663.92
Loss on sale / discardment of Property, plant and equipment	-	42.84
Commission expenses	464.34	306.25
Miscellaneous expenses	601.94	258.74
Total Other Expenses	27,919.90	19,990.43

Note:

Auditor's remuneration and out-of-pocket expenses details:

Audit Fees	30.00	26.00
Reimbursement of expenses	1.00	-
Total	31.00	26.00

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

24. Earnings per share

Basic and Diluted Earnings Per Share

Particulars	Year ended 31 March 2023 Per Share	Year ended 31 March 2022 Per Share
Basic and Diluted loss per share (Rs.)	(13.06)	(3.99)

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

	31 March 2023	31 March 2022
Loss for the year	(11,055.70)	(3,170.01)
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share.	8,46,82,675	7,95,09,770
Basic loss per share (Rs.)	(13.06)	(3.99)
Weighted average number of equity shares for the purpose of dilutive earnings per share	8,46,82,675	10,83,52,270
Diluted loss per share (Rs.)	(13.06)	#

The effect of conversion of 0.001% non-cumulative compulsorily convertible preference shares ('NCCCPs') being anti-dilutive, has not been considered for the purpose of computing diluted loss per share

25. Contingent liabilities and commitments

Claims against the Company not acknowledged as debts comprise of:

Demands raised by Income tax department where the Company is in appeal	85.81	35.98
Demand raised by VAT & GST Department where the Company is in appeal	824.50	770.84
Total	910.31	806.82

Note: In respect of above items, till the matters are finally decided, the financial effect cannot be ascertained.

In February 2019, Supreme court of India in its judgement opined on the applicability of allowances that should be considered to measure obligation under Employee Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligation for past period.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

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 maximise the shareholders value.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Categories of financial assets and financial liabilities

Particulars	31 March 2023			Total
	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	
Non-current Assets				
Investments	10,097.68	-	-	10,097.68
Loans	326.61	-	-	326.61
Bank deposits with more than 12 months maturity	7.88	-	-	7.88
Security Deposits	182.88	-	-	182.88
Other financial assets	110.93	-	-	110.93
Current Assets				
Trade receivables	11,483.18	-	-	11,483.18
Cash and Cash equivalents	5,503.37	-	-	5,503.37
Bank balances other than cash and cash equivalents	9.44	-	-	9.44
Security Deposits	213.98	-	-	213.98
Loans	5,057.69	-	-	5,057.69
Other financial assets	240.86	-	-	240.86
Other non-financial assets	3,107.60	-	-	3,107.60
Non-current Liabilities				
Other Financial Liabilities				
Lease Liability	585.75	-	-	585.75
Shares held by ESOS trust	308.91	-	-	308.91
Current Liabilities				
Lease Liability	602.83	-	-	602.83
Trade payables	11,119.45	-	-	11,119.45
Other financial liabilities				
Deposits received from dealers	2,513.22	-	-	2,513.22
Capital creditors	202.14	-	-	202.14
Other employee related liabilities	737.22	-	-	737.22
Others non-financial liabilities	2,601.25	-	-	2,601.25
Particulars	31 March 2022			Total
	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	
Non-current Assets				
Investments	6,497.69	-	13.95	6,511.64
Loans	329.95	-	-	329.95
Bank deposits with more than 12 months maturity	4.16	-	-	4.16
Security Deposits	148.14	-	-	148.14
Other financial assets	90.57	-	-	90.57

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for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

26. Financials Instruments (Continued)

Particulars	31 March 2022			Total
	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	
Current Assets				
Trade receivables	11,534.17	-	-	11,534.17
Cash and Cash equivalents	1,192.62	-	-	1,192.62
Bank balances other than cash and cash equivalents	118.24	-	-	118.24
Security Deposits	165.42	-	-	165.42
Loans	14.65	-	-	14.65
Other financial assets	5.86	-	-	5.86
Other non-financial assets	3,976.33	-	-	3,976.33
Non-current Liabilities				
Other Financial Liabilities				
Lease Liability	160.18	-	-	160.18
Shares held by ESOS trust	308.91	-	-	308.91
Current Liabilities				
Lease Liability	499.65	-	-	499.65
Trade payables	9,666.89	-	-	9,666.89
Other financial liabilities				
Deposits received from dealers	2,603.52	-	-	2,603.52
Capital creditors	139.40	-	-	139.40
Other employee related liabilities	675.98	-	-	675.98
Other non-financial liabilities	2,000.53	-	-	2,000.53

CREDIT RISK

(i) Credit risk management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations 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's exposure are continuously monitored.

Trade Receivables

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. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken security deposits which are considered as collateral and these are considered in determination of expected credit losses, where applicable.

Amounts pertaining to these collaterals are as given below:-

The loss allowance provision is determined as follows:

As at 31 March 2023	Outstanding for following periods from date of invoice						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,925.34	6,530.82	1,069.87	911.44	45.71	-	11,483.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	100.00	149.73	330.84	580.57
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Trade Receivables Ageing Schedule FY23	2,925.34	6,530.82	1,069.87	1,011.44	195.44	330.84	12,063.74

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements
for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

26. Financial Instruments (Continued)

As at 31 March 2022	Outstanding for following periods from date of invoice						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,338.64	8,697.06	453.83	44.64	-	-	11,534.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	539.03	256.69	130.71	926.43
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Trade Receivables Ageing Schedule FY22	2,338.64	8,697.06	453.83	583.67	256.69	130.71	12,460.59

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

Reconciliation of loss allowance provision for Trade receivables

Particulars

	31 March 2023	31 March 2022
Balance as at beginning of the year	926.43	501.10
Impairment losses recognised in the year based on lifetime expected credit losses	432.25	425.33
Amounts written off during the year as uncollectible	(778.11)	-
Balance at end of the year	580.57	926.43

	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Default rate	0%	0%	0%	10%	77%	100%

MARKET RISK

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which provides guidance for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by efficient management of surplus cash and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturity profile 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 can be required to pay.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars

	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2023				
Non-interest bearing				
- Trade payable for goods and services	11,119.44	-	-	-
- Security Deposit	2,513.22	-	-	-
- Capital creditors	202.14	-	-	-
- Shares held by ESOS trust	-	-	-	308.91
- Other employee related liabilities	737.22	-	-	-
Total	14,572.02	-	-	308.91
31 March 2022				
Non-interest bearing				
- Trade payable for goods and services	9,666.89	-	-	-
- Security Deposit	2,603.52	-	-	-
- Capital creditors	139.40	-	-	-
- Shares held by ESOS trust	-	-	-	308.91
- Other employee related liabilities	675.98	-	-	-
Total	13,085.79	-	-	308.91

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

27. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and other funds aggregating Rs.653.77 lakhs (31 March 2022: Rs.477.44 lakhs) has been recognised in the Statement of Profit and Loss.

(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.

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.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. Thus, an increase in inflation will also increase the deficit to some extent.

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	
	31 March 2023	31 March 2022
Discount rate(s)	7.40%	6.90%
Expected rate(s) of salary increase	8.00%	8.00%

Unfunded Plan - Gratuity

	31 March 2023	31 March 2022
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Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

I. Amounts recognised in profit or loss

Current Service Cost	165.32	118.64
Past service cost	-	-
Net interest expense	40.39	32.00
Total amount included in employee benefit expense	205.71	150.64

II. Amounts recognised in other comprehensive income

Remeasurement (gain)/losses:

Actuarial (gain)/losses arising from changes in -		
- financial assumptions	(29.28)	(28.20)
- experience adjustments	15.05	4.64
- demographic adjustments	-	-
Total amount recognised in other comprehensive income	(14.23)	(23.56)

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

27. Employee benefits (Continued)

III. Changes in the obligation	31 March 2023	31 March 2022
Opening defined benefit obligation	617.74	529.59
Current service cost	165.32	118.64
Past service cost	-	-
Interest expense	40.39	32.00
Remeasurement gains / (losses) arising from changes in -		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	(29.28)	(28.20)
iii. Experience Adjustments	15.05	4.64
Benefits paid	(82.13)	(38.94)
Closing defined benefit obligation	727.08	617.74
Current portion of the above	86.04	64.69
Non-Current portion of the above	641.05	553.04

IV. Actuarial assumptions	31 March 2023	31 March 2022
1. Discount rate	7.40%	6.90%
2. Attrition rate		
Age in Years 21-44	18.00%	18.00%
Age in Years 45-59	1.00%	1.00%

SENSITIVITY ANALYSIS

	31 March 2023		31 March 2022	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined Benefit obligation plus 100bps	674.25	778.17	571.72	662.52
Defined Benefit obligation minus 100bps	787.79	679.89	670.72	577.40

The above sensitivities analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

27. Employee benefits (Continued)

PROJECTED PLAN CASH FLOW

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	31 March 2023	31 March 2022
Expected Benefits for Year 1	86.04	64.69
Expected Benefits for Year 2	89.09	73.18
Expected Benefits for Year 3	105.55	73.26
Expected Benefits for Year 4	83.34	86.81
Expected Benefits for Year 5	57.71	62.79
Expected Benefits for Year 6	47.85	40.81
Expected Benefits for Year 7	43.14	33.47
Expected Benefits for Year 8	54.50	29.86
Expected Benefits for Year 9	57.47	42.94
Expected Benefits for Year 10 and above	888.29	724.18

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 7.77 years (31 March 2022: 7.98 years)

Experience Adjustments :

	2023	2022	Year Ended		
			2021	2020	2019
			Gratuity		
1. Defined Benefit Obligation	727.08	617.74	529.59	526.58	401.82
2. Fair value of plan assets	-	-	-	-	-
3. Surplus/(Deficit)	(727.08)	(617.74)	(529.59)	(526.58)	(401.82)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	15.05	4.64	(44.02)	(18.64)	(6.76)
5. Experience adjustment on plan assets [Gain/(Loss)]	-	-	-	-	-

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.

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

28. Fair Value Measurement

Fair Valuation Techniques and Inputs used - Recurring Items

Financial assets/ financial liabilities	Fair value 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
	31 March 2023	31 March 2022				
1) Investment in equity instruments at amortised cost (Unquoted)	10,097.68	6,497.69	Level 3	Unquoted bid prices	Long term revenue growth rates.	An increase in the long-term revenue growth rates used in isolation would result in a significant increase in the fair value.
2) Investment in equity instruments at FVTOCI (Unquoted)	-	13.95	Level 3	Unquoted bid prices	Long term revenue growth rates.	An increase in the long-term revenue growth rates used in isolation would result in a significant increase in the fair value.
3) Mutual Fund Investments (Quoted)	58.09	-	Level 1	Quoted bid prices in an active market	-	-

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Particulars	31 March 2023	31 March 2022
Opening balance (investment in The Zoroastrian Co-operative Bank Ltd.)	13.95	13.97
Total gains or losses:		
Sale of shares	1.00	-
- In other comprehensive income	(12.96)	(0.02)
Closing balance	-	13.95

Fair value of financial assets and financial liabilities that are not measured at fair value i.e. measured using amortised cost

The carrying value of other financial assets and liabilities represent reasonable estimate of fair value.

Fair Valued Hierarchy as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
- Non-current investments	-	-	10,097.68	10,097.68
Current Financials Assets carried at Amortised Cost				
- Current Investments	58.09	-	-	58.09
Total	58.09	-	10,097.68	10,155.77
Financial liabilities				
Non-Current Financial liabilities not carried at Fair Value				
- Deposits received from Dealers	-	-	-	-
- Shares held by ESOS trust	-	-	308.91	308.91
Current Financial liabilities not carried at Fair Value				
- Trade payable for goods & services	-	-	11,119.44	11,119.44
- Deposits received from Dealers	-	-	2,513.22	2,513.22
- Capital creditors	-	-	202.14	202.14
- Other employee related liabilities	-	-	737.22	737.22

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

Total	-	-	14,880.93	14,880.93
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MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

28. Fair Value Measurement (Continued)

Fair Valued Hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
- Non-current investments	-	-	6,497.69	6,497.69
Current Financials Assets carried at Amortised Cost				
- Current Investments	-	-	-	-
Total	-	-	6,497.69	6,497.69
Financial liabilities				
Non-Current Financial liabilities not carried at Fair Value				
- Shares held by ESOS trust	-	-	308.91	308.91
Current Financial liabilities not carried at Fair Value				
- Trade payable for goods & services	-	-	9,666.89	9,666.89
- Deposits received from Dealers	-	-	2,603.52	2,603.52
- Capital creditors	-	-	139.40	139.40
- Other employee related liabilities	-	-	675.98	675.98
Total	-	-	13,394.70	13,394.70

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

29. Related Party Transactions:

List of Related Parties and Relationships:

Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Holdings Limited	Holding Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Private Limited)	Fellow Subsidiary Company
Mahindra Agri Solutions Limited	Fellow Subsidiary Company
Mahindra Summit Agriscience Limited	Fellow Subsidiary Company
NBS International Limited	Fellow Subsidiary Company
Mahindra Rural Housing Finance Limited	Fellow Subsidiary Company
Mahindra Two Wheelers Limited	Fellow Subsidiary Company
Mahindra Holiday & Resorts India Limited	Fellow Subsidiary Company
Mahindra Lifespace Developers Limited	Fellow Subsidiary Company
Mahindra Retail Limited	Fellow Subsidiary Company
Mahindra Emarket Limited	Fellow Subsidiary Company
Mahindra Chemical & Engineering	Fellow Subsidiary Company
Meru Mobility Tech Private Ltd	Fellow Subsidiary Company
Mahindra Vehicle Manufacturers Limited	Fellow Subsidiary Company
MFCWL Employees Stock Option Trust	ESOS Trust Company
Fifth Gear Ventures Limited (w.e.f. 17 Jan 2020)	Wholly Owned Subsidiary Company
Mahindra MSTC Recycling Pvt Ltd	Fellow Subsidiary Company
Tech Mahindra	Associates
Zoomcar India Private Limited	JV of Holding Company
Ashutosh Pandey (w.e.f. 2 July 2018)	Chief Executive Officer - Key Management Personnel
V. Janakiraman	Chief Financial Officer - Key Management Personnel

Details of transaction between the company and other related parties are disclosed below:

	31 March 2023	31 March 2022
Trade payables		
Ultimate holding company	1,557.00	807.24
Fellow subsidiary companies		
Mahindra Integrated Business Solutions Private Limited	4.15	19.35
Mahindra & Mahindra Synergy Division	13.41	-
NBS International Limited	-	0.08
Wholly owned subsidiary Company		
Fifth Gear Ventures Limited	(131.86)	89.66
JV of Holding Company		
Zoomcar India Private Limited	(128.04)	-
Director		
Phi Advisors Private Limited	54.63	-
Trade Receivables		
Ultimate holding company	22.19	-
Fellow Subsidiary Companies		
Mahindra & Mahindra Financial Services Limited	718.98	671.05
NBS International Limited	-	0.59
Mahindra Rural Housing Finance Limited	1.74	5.58
Mahindra MSTC Recycling Private Limited	24.80	-
JV of Holding Company		
Zoomcar India Private Limited	0.09	-
Loan Given		
MFCWL Employees Stock Option Trust	319.19	319.19
Investments		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	10,097.68	6,497.69
Investment during the year		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	3,599.99	-
Purchases		
Ultimate holding company	146.95	237.14
Fellow subsidiary companies		
Mahindra & Mahindra Financial Services Limited	18,011.80	23,266.68
Mahindra Lifespace Developers Limited	4.00	-
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	44.58	-
JV of Holding Company		
Zoomcar India Private Limited	161.24	-
Equity shares issued during the year		
Holding Company	22,743.30	-
Preference shares issued during the year		
Holding Company	1,260.00	-
Expenditure		
Rent		
Ultimate holding company	25.59	10.00
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	44.95	43.64

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

29. Related Party Transactions (Continued)

	31 March 2023	31 March 2022
Sales Promtion Expenses		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	2,563.80	154.46
Reimbursement of Cost		
Ultimate holding company	-	13.97
Fellow subsidiary companies		
Mahindra Emarket Limited	-	146.97
Mahindra & Mahindra Synergy Division	53.21	-
Meru Mobility Tech Private Ltd	-	0.51
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	558.58	144.55
Amortisation and Finance Cost		
Fellow subsidiary companies		
Mahindra & Mahindra Financial Services Limited	13.93	-
Refurbishment Expenses		
Fellow subsidiary companies		
NBS International Limited	5.62	0.74
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	-	11.02
Server Software & Telephone Cost		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	-	30.26
Travelling Expenses		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	-	0.51
Professional Fees		
Ultimate holding company	721.52	554.29
Fellow Subsidiary Companies		
Mahindra Integrated Business Solutions Private Limited	42.98	98.48
Tech Mahindra	10.59	73.00
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	-	196.35
Interest Received on ICD		
Mahindra Rural Housing Finance Limited	-	77.92
Interest Received from Subsidiary		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	95.67	83.88
Purchase of Leads		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	-	473.88
Income from Services		
Ultimate holding company	298.71	123.34
Fellow Subsidiary Companies		
Mahindra & Mahindra Financial Services Limited	1,896.93	1,513.57
NBS International Limited	6.99	6.32
Mahindra MSTC Recycling Pvt Ltd	2.78	18.59
Mahindra Rural Housing Finance Limited	25.42	-
Recovery From Group Companies		
Wholly owned subsidiary company		
Fifth Gear Ventures Limited	2,869.42	2,850.08
Receivable from Group Companies		
Key Management Personnel Remuneration		
Chief Financial Officer, Chief Executive Officer and Managing Director	433.32	378.80
Reimbursement of expense	6.80	-
Director Sitting Fees		
Narendra Mairpady	4.70	-
Phi Advisors Private Limited	50.00	-
Rajeev Dubey	2.10	-
Sangeeta Talwar	4.60	-

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

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

	31 March 2023	31 March 2022
i. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	10.94	70.76
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
vi. 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.	-	-

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

31. Ratio Analysis

Sr No	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	1.8	1.4	30%	
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Not applicable since company does not have any borrowings			
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	Not applicable since company does not have any borrowings			
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-54%	-25%	116%	Due to Lower margin revenue share increased current year losses drives this ratio
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	21.47	18.49	16%	
6	Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	9.57	8.34	15%	Variance in ratio is on account of increase in sales
7	Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	7.77	7.49	4%	Variance on account of increase in payables credit period.
8	Net Capital Turnover Ratios	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	7.43	12.60	-41%	Variance in ratio is on account of increase in sales
9	Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	-10%	-4%	150%	Due to Lower margin revenue share increased current year losses drives this ratio
10	Return on Capital Employed Ratio	Profit before interest and taxes	Capital Employed = Average Total Equity + Average Total Debt for the period	-54%	-24%	119%	Current year, there is Equity and Preference Shares infusion drives Capital employed
11	Return on Investment Ratio	Interest (Finance Income)	Average of (Fixed Deposits + Inter Company Deposit + Advances in nature loans)	20%	7%	186%	Variance in ratio is on account of maturity of ICD during current year

32. Stuck-off Companies details:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st Mar 2023	Balance outstanding as at 31st Mar 2022	Relationship with the struck off company, if any, to be disclosed
AB Motors Private Limited	Receivables	-	0.42	Not Applicable
Automax Solutions India Private Limited	Receivables	-	0.71	Not Applicable
Ayushman Infotech Private Limited	Receivables	-	0.07	Not Applicable
Elite Enterprises	Receivables	2.28	-	Not Applicable
Gehlot Cars Private Limited	Payables	-	(0.18)	Not Applicable
Leader Ship Centre Private Limited	Payables	-	(0.81)	Not Applicable
Retona Motors Private Limited	Payables	-	(0.98)	Not Applicable
Nandprabhawati Ent Private Limited	Payables	-	(0.01)	Not Applicable
Acme D' Ace Marketing Solutions	Payables	0.68	-	Not Applicable

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

(Currency : Indian rupees in lakhs)

33. Disclosure pursuant to Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules,

Investments in equity shares

Sr. No.	Name of the entity	Year	As at 1 April 2022	Investment made during the year	Investment sold during the year	Equity instrument s through other comprehen sive income	As at 31 March 2023
1	The Zoroastrian Co-operative Bank Ltd.	31-Mar-23	13.95	-	13.95	(13.95)	-
		31-Mar-22	13.97	-	-	0.01	13.95
2	Fifth Gear Ventures Limited	31-Mar-23	6,497.69	3,599.99	-	-	10,097.68
		31-Mar-22	3,497.71	2,999.98	-	-	6,497.69

MAHINDRA FIRST CHOICE WHEELS LIMITED

Notes forming part of the Financial Statements

for the year ended 31 March 2023

34. Segment Information

The Company is engaged in providing various value added services to their customers in the used vehicle segment. The information reported to the Chief Operating Decision Maker (CODM) primarily revolves around the revenue generated by each area of business, while he evaluates operational performance on an overall company basis, both from cost and profitability perspectives. Similarly the Board reviews the results from an organizational perspective as well.

Manpower, which is a critical resource, is fungible between the areas of business to maximize effectiveness. Similarly, the Company leverages its product and service delivery structures for offering a suite of services to its customers across all areas of business. Additionally, there are costs incurred towards advertisement, which is another major cost driver, such that its impact permeates across all areas of the Company's. Thus, considering the high interchangeability of its resources and processes for delivering its objective of serving the used car eco market and the fact that its results are reviewed at an organizational level, the company is a single operating segment.

35. Other matters

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Other than amount shown below, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Details of Funds received by the Company

Funding Party	Date of Transaction	Amount (Rs. In Lakhs)
(i) Equity Shares		
Mahindra Holdings Limited	01-07-2022	17,134.18
Brij Mohan Kataria	06-07-2022	4.80
Sanjay Labroo jointly with Leena Labroo	07-07-2022	167.98
Sanjay Labroo jointly with Leena Labroo	16-08-2022	83.91
Mahindra Holdings Limited	18-08-2022	5,606.74
Sanjay Labroo jointly with Leena Labroo	14-09-2022	0.02
Mahindra Holdings Limited	15-09-2022	2.38
		23,000.00
(ii) Preference Shares		
Mahindra Holdings Limited	22-04-2022	1,260.00
Total (i+ii)		24,260.00

Details of investment made from the funds received

Ultimate Beneficiary	Date of Transaction	Amount (Rs. In Lakhs)
Fifth Gear Ventures Limited	07-12-2022	3,599.99

Above transactions are in compliance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act, 2013 and Prevention of Money-Laundering Act, 2002.

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Nupur Ashar

Partner

Membership number: 136565

Ashutosh Pandey

Managing Director & Chief Executive Officer

DIN 08166731

Amit Kumar Sinha

Director

DIN : 09127387

Place : Mumbai

Date: 29 April, 2023

V. Janakiraman

Chief Financial Officer

Membership number: 029222

PAN: AAQPJ2356L

Anita Halbe

Company Secretary

A13962

PAN: ABHPH4969H

Form AOC-1

(Pursuant to First Proviso to sub-section (3) of section 129 read with rule 5 of companies [Accounts] Rules,2014

Statement containing salient features of the financial statement of subsidiaries/associate Companies/joint ventures

Part " A " : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lakhs)

Sl.No.	Particulars	Details
1.	Name of the Subsidiary	Fifth Gear Ventures Limited
2.	Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	31 st March 2023 (Same as Holding Company)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share Capital	Rs.30.71
5.	Reserves & Surplus	Rs.1897.62
6.	Total assets	Rs.3830.28
7.	Total Liabilities	Rs.1901.95
8.	Investments	NIL
9.	Turnover	Rs.6313.68
10.	Profit / (Loss) before taxation	(Rs.2656.81)
11.	Provision for Taxation	NIL
12.	Profit / (Loss) after Taxation	(Rs.2656.81)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operation – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year. Not Applicable

Part " B " : Associates and Joint Ventures – Not Applicable

For and on behalf of the Board of Directors of Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director & Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN 09127387

V Janakiraman
Chief Financial Officer
Membership Number: 029222
PAN: AAQPJ2356L

Anita Halbe
Company Secretary
A13962
PAN ABHPPH4969H

Date – **29 April 2023** Place - **Mumbai**