

Bakliwal & Co.

CHARTERED ACCOUNTANTS

Independent Auditors' Report

To The Members of
Atos Mercantile Private Limited

Opinion

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

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Going Concern

We draw attention to Note 14 in the financial statements regarding accumulated loss exceeding the Net Worth of the Company and the Company has prepared the financial statements on a going concern basis. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts, however has been prepared by the management on a going concern basis for the reason stated in the aforesaid note.

Our opinion is not modified in this respect;

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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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 financial controls 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.

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

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

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

Other Information

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

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

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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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement therein; we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) The going concern matter described in Material Uncertainty Related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company
 - f) On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act;
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to directors during the year.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There were no pending litigations which would impact financial position of the Company.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the Company during the year ended March 31, 2023.
 - (iv) (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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(b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (i) (iv) (a) & (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year

For **Bakliwal & Co.**
Chartered Accountants
Regn.No.130381W

Ankur Jain
Partner
Membership No.197643

Place: Mumbai
Date: April 19, 2023
UDIN: 23197643BGWHDQ9627

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ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Atos Mercantile Private Limited** of even date)

- i) The Company has no Property, Plant and Equipment hence clause 3(i) of the Order is not applicable.
- ii) (a) As explained to us, there is no inventory hence clause 3(ii) of the Order is not applicable.
(b) According to the information and explanations given to us, The Company has not been sanctioned any working capital limits from any bank or financial institution, Hence provisions of clause 3 (ii)(b) of the Order is not applicable.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured/unsecured or investments or advances or guarantees or security to companies, firms, Limited Liability Partnership or other parties during the year. Accordingly, provisions of clauses 3 (iii) of the Order are not applicable.
- iv) Based on the information, the Company has no loans given and investments made neither any guarantee nor securities given during the year hence clause 3(iv) of the Order not applicable.
- v) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposit which is deemed to be deposit from the public hence clause 3(v) of the Order is not applicable.
- vi) According to the information given to us, the Central Government has not prescribed for maintenance of cost records under sub section (1) of Section 148 of the Act in respect of activities carried on by the Company. Hence provisions of clause 3 (vi) of the Order is not applicable.
- vii) (a) Based on our examination of the books and records, the Company has generally been regular in depositing with appropriate authority undisputed statutory dues including Provident fund, Income-tax, Duty of customs, Goods and Service tax, Cess and other Statutory dues, wherever applicable, during the year. Further no undisputed amounts payable in respect of Provident fund, Income tax, Duty of customs, Goods and Service tax, Cess and other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed statutory dues pending to be deposited with the respective authorities by the Company.
- viii) As per the information and explanations given to us and based on our examinations of the records of the Company, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) a) During the year the Company did not have any loan from any financial institution or bank or debenture holders hence the reporting requirement under clause 3(ix) of the Order is not applicable.
b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.
c) According to the information and explanations given to us and based on examination of the records of the Company, we report that during the year Company has not obtained any term loans.
d) According to the information and explanations given to us, during the year no funds were raised on short term basis which have been utilized for long term purposes.
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 subsidiaries, associates or joint ventures.

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- 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.
- x) (a) During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans hence clause 3(x)(a) of the Order is not applicable
(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures during the year hence clause 3(x)(b) of the Order is not applicable.
- xi) (a) According to the and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our 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 auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv) According to the information and explanations given to us, the Company does not have a formal internal audit system.
- xv) As per the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) In our opinion and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve Bank of India Act, 1934.
(c) In our opinion and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
(d) As represented by the management, the Group does not have any Core Investment Company as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvii) The Company has incurred cash losses in the current year however not incurred cash losses in the immediately preceding year.
- xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause 3 (xviii) of the Order are not applicable to the Company.

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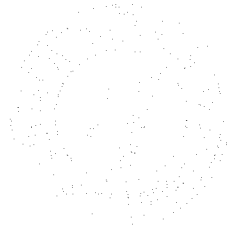
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- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern . We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) According to information and explanations given to us, and based on our examination of the financial statements of the Company, the CSR requirement is not applicable to the Company in view of losses incurred by the Company. Accordingly, clause 3(xx) of the Order is not applicable

For **Bakliwal & Co.**
Chartered Accountants
Regn.No.130381W

Ankur Jain
Partner
Membership No.197643

Place: Mumbai
Date: April 19, 2023



ANNEXURE "2" TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Atos Mercantile Private Limited** ("the Company") of even date)

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

We have audited the internal financial controls over financial reporting of **Atos Mercantile Private Limited** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Bakliwal & Co.

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Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Bakliwal & Co.**
Chartered Accountants
Regn.No.130381W

Ankur Jain
Partner
Membership No.197643

Place: Mumbai
Date: April 19, 2023

Atos Mercantile Private Limited
Balance Sheet as at March 31, 2023

Particulars	Note No.	As at March 31, 2023	Rupees in '000 As at March 31, 2022
ASSETS			
Current Assets			
Financial assets			
Cash and cash equivalents	3.1	7	7
Total		7	7
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3.2	100	100
Instrument entirely equity in nature	3.3.1	32	32
Other Equity	3.3	(7,445)	(7,416)
Liabilities			
Current Liabilities			
Financial Liabilities			
Borrowings	3.4(a)	7,230	7,230
Other Financial Liabilities	3.4(b)	90	61
Total		7	7
Significant Accounting Policies	2		

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

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Regn. No.130381W

For and on behalf of the Board of Directors

Ankur Jain
Partner
Membership No.197643

Phanindra Kumar Nemani
Director
DIN: 00051091

Joseph Jeji
Director
DIN: 07882151

Place: Mumbai
Date: April 19, 2023

Place: Mumbai
Date: April 19, 2023

Atos Mercantile Private Limited
Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Note No.	Year ended March 31, 2023	Rupees in '000 Year ended March 31, 2022
Revenue			
Other Income	3.5	(12)	79
Total		(12)	79
Expenses			
General, administration and other expenses	3.6	17	18
Total		17	18
Profit /(Loss) before tax		(29)	61
Income tax expense			
Current tax		-	-
Profit/(Loss) for the year (A)		(29)	61
Other Comprehensive Income (B)		-	-
Total Comprehensive Income for the year (A+B)		(29)	61
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and Diluted (Rupees)	7	(2.88)	6.07
Significant Accounting Policies	2		

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Regn. No.130381W

For and on behalf of the Board of Directors

Ankur Jain
Partner
Membership No.197643

Place: Mumbai
Date: April 19, 2023

Phanindra Kumar Nemani
Director
DIN: 00051091

Place: Mumbai
Date: April 19, 2023

Joseph Joji
Director
DIN: 07882151

Place: Mumbai
Date: April 19, 2023

Atos Mercantile Private Limited

Cash Flow Statement for the year ended March 31, 2023

Particulars	Rupees in '000	
	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from Operating Activities		
Net profit/(loss) before taxation	(29)	61
Less : Non cash item- Write back liability	-	(79)
Cash flow from operating activity before working capital changes	(29)	(18)
Other current liabilities and provisions	29	18
Taxes paid	-	-
Net cash flow from/ (used in) operating activities (A)	-	-
B Cash flow from Investing Activities	-	-
Net cash from /(used in) investing activities (B)	-	-
C Cash flow from Financing Activities	-	-
Net cash flow from / (used in) financing activities (C)	-	-
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	-	-
Opening balance in cash and cash equivalents		
Balance in current account	7	7
Closing balance in cash and cash equivalents		
Balance in current account	7	7

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Regn. No.130381W

For and on behalf of the Board of Directors

Ankur Jain
Partner
Membership No.197643

Phanindra Kumar Nēmani
Director
DIN: 00051091

Joseph Joji
Director
DIN: 07882151

Place: Mumbai
Date: April 19, 2023

Place: Mumbai
Date: April 19, 2023

Atos Mercantile Private Limited
Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital
(Refer Note 3.2)

Rupees in '000

Balance as at 01 April 2021	3.2	100
Changes in equity share capital		-
Balance as at 31 March 2022	3.2	100
Changes in equity share capital		-
Balance as at 31 March 2023	3.2	100

B. Other Equity (Refer Note 3.3)

Rupees in '000

	Note	Reserves and Surplus			Total
		Securities Premium Account	General Reserve	Retained Earnings	
Balance as at 01 April 2021	3.3	32,278	3,056	(42,811)	(7,477)
Profit/(Loss) for the year		-	-	61	61
Other Comprehensive Income for the year		-	-	-	-
Total Comprehensive Income for the year		-	-	61	61
Balance as at 31 March 2022	3.3	32,278	3,056	(42,750)	(7,416)
Profit/(Loss) for the year				(29)	(29)
Other Comprehensive Income for the year					-
Total Comprehensive Income for the year		-	-	(29)	(29)
Balance as at 31 March 2023		32,278	3,056	(42,779)	(7,445)

C. Instrument entirely equity in nature

(Refer Note 3.3.1)

Rupees in '000

Balance as at 01 April 2021	3.2	32
Changes in Instrument entirely equity in nature		-
Balance as at 31 March 2022	3.2	32
Changes in Instrument entirely equity in nature		-
Balance as at 31 March 2023	3.2	32

As per our Report of even date

For Bakliwal & Co.
Chartered Accountants
Regn. No.130381W

For and on behalf of the Board of Directors

Ankur Jain
Partner
Membership No.197643

Phanindra Kumar Nemani
Director
DIN: 00051091

Joseph Jbji
Director
DIN: 07882151

Place: Mumbai
Date: April 19, 2023

Place: Mumbai
Date: April 19, 2023

Atos Mercantile Private Limited**Notes to the financial statements for the year ended March 31, 2023 (Continued)****1) General information**

Atos Mercantile Private Limited, a wholly owned subsidiary of Reliance Power Limited, was incorporated on January 12, 2010. It is engaged in the business of exploration and prospecting activities on Coal Bed Methane (CBM) and has 45% share on the Coal Bed Methane (CBM) Blocks- KG(E) CBM-2005/III located at Kothagudem, Andhra Pradesh

These financial statements are authorised for issue by the Board of Directors on April 19, 2023.

2) Significant Accounting Policies, Critical accounting estimates and judgements:**2.1 Basis of preparation, measurement and significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation**Compliance with Indian Accounting Standards**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the year presented.

The financial statements are presented in 'Indian Rupees', which is also the Company's functional currency.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- i. Defined benefit plans – plan assets that are measured at fair value;

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

(c) Foreign currency translation:**Functional and presentation currency**

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

(d) Borrowing costs

Borrowing costs include costs that are ancillary and required as per the terms of agreement. Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(f) Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, same will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv. Derecognition of financial assets

A financial asset is derecognised only when:

- i. the rights to receive cash flows from the asset have expired, or
- ii. the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

(g) Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Financial liabilities

i. Classification as debt or equity

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

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings, dues to holding company and creditors for capital expenditure.

iii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(i) Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent Assets:

A contingent asset is disclosed, where an inflow of economic benefits is probable.

(j) Income tax

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(k) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(l) Cash flow statement

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

2.2 Critical accounting estimates and judgments

Preparing the consolidated financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date.

Atos Mercantile Private Limited**Notes to the financial statements for the year ended March 31, 2023 (Continued)**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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:

(a) Defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

(b) Income taxes

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period.

(c) Provisions

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such change.

Particulars	As at March 31, 2023 Rupees in '000	As at March 31, 2022 Rupees in '000
3.1 Cash and cash equivalents		
Balance with banks in current account	7	7
	<u>7</u>	<u>7</u>
3.3 Other equity		
Balance at the end of the year		
3.3.1 Instrument entirely equity in nature	32	32
3.3.2 Securities premium account	32,278	32,278
3.3.3 General reserve	3,056	3,056
3.3.4 Surplus in the Statement of Profit and Loss	(42,779)	(42,750)
	<u>(7,445)</u>	<u>(7,416)</u>
3.3.1 Instrument entirely equity in nature		
Preference Shares	32	32
Reconciliation of number of shares		
Preference shares [refer note no. 3.3.1 (a)]		
Balance at the beginning of the year	32	32
32,310 (March 31, 2022: 32,310) shares of Rs. 1 each fully paid-up		
Changes During the year	-	-
Balance at the end of the year	<u>32</u>	<u>32</u>
Terms/ rights attached to preference shares		
3.3.1 (a) 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)		
The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.		
3.3.1 (b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company / Holding Company		
Preference shares [refer note no. 3.3.1(a)]		
Reliance Power Limited - Holding company	32	32
32,310 (March 31, 2022: 32,310) Preference Shares of Re. 1 each fully paid up		
	<u>32</u>	<u>32</u>
3.3.1 (c) Movement of instruments entirely equity in nature		
Balance at the beginning of the year		
32,310 (March 31, 2022: 32,310) shares of Re. 1 each fully paid-up	32	32
Balance at the end of the year	<u>32</u>	<u>32</u>
3.3.2 Securities premium account		
Balance at the beginning of the year	32,278	32,278
Balance at the end of the year	<u>32,278</u>	<u>32,278</u>
3.3.3 General reserve		
Balance at the beginning of the year	3,056	3,056
Balance at the end of the year	<u>3,056</u>	<u>3,056</u>
3.3.4 Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	(42,750)	(42,811)
Profit/(loss) for the year	(29)	61
Balance at the end of the year	<u>(42,779)</u>	<u>(42,750)</u>
Total	<u>(7,445)</u>	<u>(7,416)</u>

Atos Mercantile Private Limited

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

Particulars

3.4(a) Current borrowings

Unsecured - at amortised cost

Loans from related parties (Repayable on demand) (refer note :6)

As at March 31,2023 Rupees in '000	As at March 31, 2022 Rupees in '000
7,230	7,230
7,230	7,230

3.4(b) Other current financial liabilities

Creditors for supplies and services

Other payables

78	25
12	36
90	61

Particulars	As at March 31, 2023 Rupees in '000	As at March 31, 2022 Rupees in '000
3.2 Share capital		
Authorised		
25,000 (March 31, 2022: 25,000) equity shares of Rs. 10 each	250	250
250,000 (March 31, 2022: 250,000) preference shares of Re. 1 each	250	250
	500	500
Issued, subscribed and paid up		
10,000 (March 31, 2022: 10,000) equity shares of Rs. 10 each fully paid-up	100	100
32,310 (March 31, 2022: 32,310)Preference shares [refer note no. 3.3.1(a) below for terms]	32	32
	132	132

3.2.1 Reconciliation of number of equity shares

Equity shares

Balance at the beginning of the year - 10,000 (March 31, 2022: 10,000) shares of Rs. 10 each	100	100
Changes during the year	-	-
Balance at the end of the year	100	100

3.2.2 Terms/ rights attached to equity shares

Equity shares

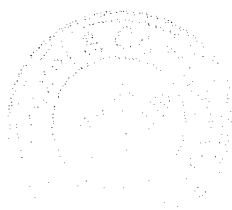
The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

3.2.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company / Holding Company

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Equity shares				
Reliance Power Limited 10,000 (March 31, 2022: 10,000) shares of Rs. 10 each	10,000	100%	10,000	100%
(Out of the above 9,999 (March 31, 2022 : 9,999) equity shares are held by Reliance Power Limited, the holding company and the balance 1 share is jointly held by Reliance Power Limited and its nominee)				
	10,000	100%	10,000	100%

3.2.4 Shares held by Promoters

	As at March 31, 2023	As at March 31, 2022	% of Change
Equity Shares			
Reliance Power Limited - 10,000 (March 31, 2022: 10,000) shares of Rs. 10 each fully paid-up	1,00,000	1,00,000	-
	1,00,000	1,00,000	-



Atos Mercantile Private Limited**Notes to the financial statements for the year ended March 31, 2023 (continued)**

Particulars	Year ended March 31,2023 Rupees in '000	Year ended March 31, 2022 Rupees in '000
3.5 Other income		
Provision written back	(11)	79
	(11)	79
3.6 General, administration and other expenses		
Legal and professional charges	5	6
Statutory Audit Fees	12	12
	17	18

4) Project Status:

In term of the composite Scheme of Arrangement between Reliance Natural Resources Limited (RNRL) and Reliance Power Limited (R Power) and others, as sanctioned by the Honorable High Court of Judicature at Bombay vide Order dated October 15, 2010, inter alia 45% non-operating participating interest in CBM block KG(E)-CBM-2005/III, was vested into the Company. The Consortium led by RNRL with Geopetrol International Inc. (Operator) and Reliance Infrastructure Limited was awarded the CBM block under 3rd round of CBM bidding in 2006 by Ministry of Petroleum and Natural Gas (MoPNG), Government of India. The Block KG(E) covers an area of 735 square kilometers and is situated in the State of Andhra Pradesh.

The consortium experienced inordinate delays in Government clearances, non receipt of Petroleum Exploration License (PEL) for more than 5 years and consequently relinquished its rights in respect of the block at Kothagudem, Andhra Pradesh vide letter dated February 6, 2013. The consortium vide letter dated November 21, 2013 communicated to Directorate General of Hydrocarbons (DGH) / MoPNG that the abnormal delays has made it impossible for the consortium to pursue performance under the contract. Under these circumstances, the contract is not effective and became incapable of being executed and that the consortium has no further obligations with respect to the said CBM Block. Govt. of India notified "Policy Framework for Early Monetization of Coal Bed Methane" on 11th April, 2017. Policy allows exit option if delay in grant of PEL exceeds two (2) years from the State Government. Consortium has submitted request on 7th June 2017 for approval of exit option due to inordinate (more than 5 years) delays in receiving grant of PEL. DGH on October 31, 2017 conveyed relinquishment of the block. Further vide letter dated December 03, 2018 DGH accepted relinquishment without any liability towards cost of unfinished work in this block.

5) Details of Remuneration to Auditors:

	Rupees in '000	
	Year ended March 31, 2023	Year ended March 31, 2022
(a) As auditors		
For statutory audit (excluding taxes)	10	10
For others	-	-
	10	10

6) Related party transactions:**A. Parties where control exists:****Holding Company:**

Reliance Power Limited (R Power)

B. Investing parties having significant influence on the Company directly or indirectly**Companies**

Reliance Infrastructure Limited (R Infra)

C. Details of transactions during the year and closing balance at the end of the year:

Particulars	Rupees in '000	
	March 31, 2023	March 31, 2022
Transactions during the year:	-	-

Particulars	March 31, 2023	March 31, 2022
Closing balance		
Equity share capital (excluding premium)		
R Power	100	100
Preference share capital		
R Power	32	32
Inter corporate deposits taken		
R Power	7,230	7,230

The above disclosure does not include transactions with public utility service providers, viz. electricity telecommunications in the normal course of business

Atos Mercantile Private Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

7) Earnings per share:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit available to equity shareholders		
Profit after tax (A)	(29)	61
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	10,000	10,000
Basic and diluted earnings per share (A / B) (Rs.)	(2.88)	6.07
Nominal value of an equity share (Rs.)	10	10

8) Income taxes

Rupees in '000

The reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Particulars	March 31, 2023	March 31, 2022
Profit / (Loss) before tax	(29)	61
Tax at the Indian tax rate of 26% (2021-22: 26%)	(7)	16
Tax on Income not Liable to Tax	-	(16)
Tax losses for which no deferred income tax is recognised	(7)	-
Income tax expense	-	-

9) Fair value measurements

(a) Financial instruments by category

The Company does not have any financial assets or liabilities which are measured at FVTPL or FVOCI.

Rupees in '000

	March 31, 2023	March 31, 2022
Financial assets		
Cash and cash equivalents	7	7
Advance recoverable in cash or in kind	-	-
Total financial assets	7	7
Financial liabilities		
Loans from related parties	7,230	7,230
Creditors for supplies and services	77	25
Other financial liabilities	12	36
Total financial liabilities	7,320	7,291

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table. The company does not have long term financial assets and financial liabilities as at 31 March 2023 and 31 March 2022.

(c) Valuation technique used to determine fair values

The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of security deposits and borrowings has been considered same as carrying value since there have not been any material changes in the prevailing interest rates. Impact on account of changes in interest rates, if any has been considered immaterial.

Atos Mercantile Private Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

Note

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level.

There were no transfers between any levels during the year.

10) Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(a) Credit risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents and financial assets carried at amortised cost

Credit risk management

Credit risk is managed at company level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company.

Atos Mercantile Private Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

Maturities of financial liabilities

The amounts disclosed in the below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rupees in '000				
March 31, 2023	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Loans from related parties	7,230	-	-	7,230
Creditors for supplies and services	77	-	-	77
Other financial liabilities	12	-	-	12
Total financial liabilities	7320	-	-	7,320

March 31, 2022	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Financial liabilities				
Loans from related parties	7,230	-	-	7,230
Creditors for supplies and services	25	-	-	25
Other financial liabilities	36	-	-	36
Total financial liabilities	,7291	-	-	7,291

11) Capital Management

(a) Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity on a periodic basis. Equity comprises all components of equity includes the fair value impact. The following table summarizes the capital of the Company:

Rupees in '000		
	March 31, 2023	March 31, 2022
Equity	(7312)	(7,285)
Debt	7,230	7,230
Total	(82)	(55)

12) Segment reporting

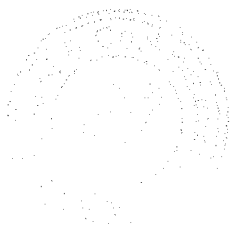
Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

13) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of amounts payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

- 14) The net worth of the Company is eroded, thus impacting the Going Concern aspect, which is a fundamental accounting assumption in preparation of financial statements. However, considering financial support from the Parent Company and management's effort to commence the operations, the financial statements for the current year are continued to be prepared on Going concern basis by the Company.

- 15) As per Section 248 of the Companies Act 2013, there are no balances outstanding with struck off companies.
- 16) i) 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 during the year or in any person or entity, including foreign entities ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in other person or entities identified by or on behalf of the Company ('ultimate beneficiaries').
The Company has not received any funds during the year from any party ("Funding Parties"), with the understanding that the Company shall whether, directly or indirectly, lend or invest in other person or entities identified by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- ii) (a) The Company does not have any Borrowings from any Bank or Financial Institution.
(b) The Company has not been declared willful defaulter by any bank or financial institution or other lenders.
(c) The Company has not taken any secured Loan and hence, no charge have been registered or yet to be registered with Registrar of Companies.
- iii) The Company has not made any transactions with any company Struck Off under section 248 of the Companies Act, 2013.
- iv) The Company has not entered into any Scheme of Arrangements in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- v) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets which have been recorded in the books of accounts during the year.
- vi) The Company has neither traded nor invested in Crypto Currency or any Virtual Currency during the year.
- vii) During the year the Company has not:
(i) Imported any raw material, spare parts, and consumable or capital goods.
(ii) Incurred expenditure in foreign currency.
(iii) Exported any goods, or services.
(iv) Declared any dividend to any non-resident shareholders.
- viii) Provisions regarding "Corporate Social Responsibility" (CSR) are not applicable to the Company.
- 17) During the year the company is not declared willful defaulter by any bank or financial institution or the Lender.
- 18) There are no loans given, investments made, guarantee given and security provided by the Company covered U/s 186(4) of the Companies Act, 2013.
- 19) As per Section 248 of the Companies Act 2013, there are no balance outstanding with struck off companies.
- 20) a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.



Atos Mercantile Private Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

21) Financial Performance Ratios:

Sr	Particulars	March 31, 2023	March 31, 2022	% Variance	Reason for change >25%
A	Current ratio (in Times)	0.00	0.00	0%	
B	Debt Equity ratio (in times)	(0.99)	(0.99)	0%	
C	Debt Service Coverage ratio (in times)	0.00	0.01	(147%)	Due to Loss in the current year
D	Return on Equity ratio (in %)	0.00	(0.01)	(147%)	Due to Loss in the current year
E	Inventory turnover ratio (in times)	NA	NA	NA	
F	Trade Receivables turnover ratio (in times)	NA	NA	NA	
G	Trade Payables turnover ratio (in times)	NA	NA	NA	
H	Net Capital turnover ratio (in times)	NA	NA	NA	
I	Net Profit ratio (in %)	NA	NA	NA	
J	Return on capital employed (in %)	0.00	0.00	0%	

Ratios have been computed as under:

- Current Ratio: Current Assets/Current Liabilities
- Debt Equity Ratio = Total Debt / Equity excluding Revaluation Reserve
- Debt Service Coverage Ratio = Earnings before Interest and Tax and exceptional items / (Interest on Long Term and Short Term Debt for the period/year + Principal Repayment of Long Term Debt for the period/ year).
- Return on Equity = Net profit / Shareholder's fund
- Inventory turnover ratio = Turnover / Average inventory
- Trade Receivables turnover ratio = Turnover / Average Receivables
- Trade Payables turnover ratio = Turnover / Average Payables
- Net Capital turnover ratio = Turnover / Capital Employed
- Net Profit ratio = Net Profit / Turnover
- Return on capital employed = Net Profit / (Debt +Equity)

Atos Mercantile Private Limited
Notes to the financial statements for the year ended March 31, 2023 (Continued)

22) Previous year figures have been regrouped or reclassified wherever necessary.

As per our attached Report of even date

For Bakliwal & Co.
Chartered Accountants
Firm Registration No: 130381W

For and on behalf of the Board of Directors

Ankur Jain
Partner
Membership No. 197643

Place : Mumbai
Date: April 19, 2023

Phanindra Kumar Nemani
Director
DIN: 00051091

Place : Mumbai
Date: April 19, 2023

Joseph Joji
Director
DIN: 07882151