

**Independent Auditor's Report to the members of GFCL EV PRODUCTS LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **GFCL EV PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information ("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 the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

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





**Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Board's Report, including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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**Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 (continued)**

As part of an audit in accordance with SAs, we exercise professional judgement 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**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 I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



**Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 (continued)**

2. As required by Section 143(3) of the Act, based on our audit, 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), 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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 II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv.
      - (a) The management has represented that, to the best of its knowledge and belief, 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;
      - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, 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; and

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**Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 (continued)**

- (c) Based on the audit procedures 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 (a) and (b) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

Place: Pune  
Date: 3 May 2024



For Patankar & Associates  
Chartered Accountants  
Firm's Registration No. 107628W

*S.S. Malani*

Sandesh S Malani  
Partner  
Membership No. 110051  
UDIN: 24110051BKCUJP5437

**Annexure I to Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 - referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

In terms of the Companies (Auditor's Report) Order, 2020 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of the audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.  
(a) (B) The Company does not have any intangible assets.  
(b) The property, plant and equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.  
(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.  
(d) The Company has not revalued its property, plant and equipment (including right of use assets) during the year.  
(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.
- ii. (a) The inventories were physically verified by the management at reasonable intervals during the year and the coverage and procedures of the verification were appropriate. No material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.  
(b) The Company has not been sanctioned any working capital limit in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.  
(b) The investments made during the year are not, prima-facie, prejudicial to the Company's interest.  
(c) The Company has not granted any loans or advances in nature of loans and accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has complied with the provisions of section 186 of the Act in respect of investments made. The Company has not granted any loans or provided any security or guarantees in respect of which provisions of sections 185 and section 186 of the Act are applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, and the Rules framed thereunder. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.





**Annexure I to Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 (continued)**

- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for the activities of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and service tax, provident fund, income-tax, and other material statutory dues applicable to it. There are no undisputed dues relating to Employees' State Insurance, sales tax, service tax, duty of excise, value added tax and cess. There are no undisputed amounts payable in respect these statutory dues in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of disputes.
- viii. 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) The Company has not defaulted in repayment of loans and other borrowings or in payment of interest thereon to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statement of the Company, funds raised on short-term basis have not been used for long-term purposes.
- (e) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associate or joint venture.
- x. (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally).
- xi. (a) No fraud by the Company or on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) The Company is not required to establish Vigil mechanism and accordingly, the requirement to report on clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.



**Annexure I to Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 (continued)**

- xiv. (a) The Company has an internal audit system commensurate with the size and the nature of its business.  
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with them and accordingly, the requirement to report on clause 3(xv) of the Order is 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 (2 of 1934).  
b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.  
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
d) The Group of which the Company is a part has only one CIC.
- xvii. The Company has incurred cash losses in the current financial year and the immediately preceding financial year amounting to Rs. 208.32 lakhs & Rs. 274.23 lakhs respectively.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. 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 plans of the Board of Directors and management and based on our examination of 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 upto the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities following 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 provisions of section 135 of the Act in respect of Corporate Social Responsibility (CSR) are not applicable to the Company and accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.

Place: Pune  
Date: 3 May 2024



For Patankar & Associates  
Chartered Accountants  
Firm's Registration No. 107628W

*S.S. Malani*

Sandesh S Malani  
Partner  
Membership No. 110051



**Annexure II to Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **GFCL EV PRODUCTS LIMITED** ("the Company") as of 31 March 2024 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 system with reference to financial statements.



**Annexure II to Independent auditor's report to the members of GFCL EV PRODUCTS LIMITED on the financial statements for the year ended 31 March 2024 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date (continued)**

**Meaning of Internal Financial Controls with reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Pune  
Date: 3 May 2024



For Patankar & Associates,  
Chartered Accountants  
Firm's Registration No. 107628W

Handwritten signature of Sandesh S Malani in blue ink.

Sandesh S Malani  
Partner  
Membership No. 110051

**GFCL EV PRODUCTS LIMITED**  
**Balance Sheet as at 31 March 2024**

(Rs. in Lakhs)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	5	44,114.42	-
(b) Capital work-in-progress	6	17,739.64	32,443.48
(c) Right-of-use assets	38	708.32	798.76
(d) Financial assets			
(i) Investments in Subsidiaries	7	166.81	-
(ii) Other non-current financial assets	8	90.75	86.30
(e) Deferred tax assets (net)	19	74.01	-
(f) Other non-current assets	9	12,511.64	6,498.42
(g) Income tax assets (net)		7.02	2.91
<b>Sub-total</b>		<b>75,412.61</b>	<b>39,829.87</b>
<b>(2) Current assets</b>			
(a) Inventories	10	3,502.85	-
(b) Financial assets			
(i) Trade receivables	11	39.52	-
(ii) Cash & cash equivalents	12	30.63	156.56
(iii) Bank balances other than (ii) above	13	-	-
(vi) Other current financial assets	8	0.10	5.97
(c) Other current assets	9	2,452.52	4,487.85
<b>Sub-total</b>		<b>6,025.62</b>	<b>4,650.38</b>
<b>Total Assets</b>		<b>81,438.23</b>	<b>44,480.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	70,752.66	39,299.81
(b) Other equity	15	(675.53)	(316.28)
<b>Sub-total</b>		<b>70,077.13</b>	<b>38,983.53</b>
<b>LIABILITIES</b>			
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	4,522.08	-
(ii) Lease liabilities	38	489.62	500.08
(b) Provisions	18	154.33	65.19
<b>Sub-total</b>		<b>5,166.03</b>	<b>565.27</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	-	1,131.50
(ii) Lease liabilities	38	10.46	9.47
(iii) Trade Payables	21		
- Total outstanding dues of micro enterprises and small enterprises		412.27	4.41
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,702.45	99.07
(iv) Other current financial liabilities	17	3,817.97	3,526.57
(b) Other current liabilities	22	128.91	150.35
(c) Provisions	18	123.01	10.08
<b>Sub-total</b>		<b>6,195.07</b>	<b>4,931.45</b>
<b>Total Equity &amp; Liabilities</b>		<b>81,438.23</b>	<b>44,480.25</b>



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**GFCL EV PRODUCTS LIMITED**  
**Balance Sheet as at 31 March 2024 - continued**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For Patankar & Associates**  
Chartered Accountants  
Firm's Registration No. 107628W

*S.S. Malani*

**Sandesh S Malani**  
Partner  
Membership No. 110051  
Place: Pune  
Date: 3 May 2024



**For GFCL EV PRODUCTS LIMITED**

*V. K. Jain*  
**V. K. Jain**  
Director  
DIN: 00029968  
Place: Noida

*Manoj Agrawal*  
**Manoj Agrawal**  
Chief Financial Officer  
Place: Noida  
Date: 3 May 2024

*Dr. Bir Kapoor*

**Dr. Bir Kapoor**  
Director  
DIN: 01771510  
Place: Noida

*B. V. Desai*

**B. V. Desai**  
Company Secretary  
Place: Vadodara

**GFCL EV PRODUCTS LIMITED****Statement of Profit and Loss for the year ended 31 March 2024**

Particulars	Note No.	(Rs. in Lakhs)	
		Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	23	36.82	-
Other Income	24	22.10	78.62
<b>Total Income</b>		<b>58.92</b>	<b>78.62</b>
<b>Expenses</b>			
Cost of materials consumed	25	624.35	-
Changes in inventories of finished goods and work-in-progress	26	(631.34)	-
Power & fuel		52.57	-
Employee benefits expense	27	44.09	-
Finance costs	28	52.78	38.28
Depreciation	29	154.06	-
Other expenses	30	124.83	314.57
<b>Total expenses</b>		<b>421.34</b>	<b>352.85</b>
<b>Loss before tax</b>		<b>(362.42)</b>	<b>(274.23)</b>
<b>Tax expense</b>			
Deferred tax	31	(61.85)	-
<b>Loss for the year</b>		<b>(300.57)</b>	<b>(274.23)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of the defined benefits plan		(70.84)	(6.37)
(ii) Tax on above		12.16	-
<b>Total comprehensive income for the year (comprising loss and other comprehensive income for the year)</b>		<b>(359.25)</b>	<b>(280.60)</b>
<b>Basic and Diluted loss per equity share of Re. 1 each (in Rs.)</b>	42	(0.01)	(0.02)

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

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

*S.S. Malani*

**Sandesh S Malani**

Partner

Membership No. 110051

Place: Pune

Date: 3 May 2024



**For GFCL EV PRODUCTS LIMITED**

*V. K. Jain*

**V. K. Jain**

Director

DIN: 00029968

Place: Noida

*Dr. Bir Kapoor*

**Dr. Bir Kapoor**

Director

DIN: 01771510

Place: Noida

*Manoj Agrawal*

**Manoj Agrawal**

Chief Financial Officer

Place: Noida

Date: 3 May 2024

*B. V. Desai*

**B. V. Desai**

Company Secretary

Place: Vadodara

**GFCL EV PRODUCTS LIMITED****Statement of Changes in Equity for the year ended 31 March 2024****A: Equity Share Capital**

Particulars	(Rs. in Lakhs)
	Equity Share Capital
Balance as at 1 April 2022	1.00
Changes in equity share capital during the year	39,298.81
Balance as at 31 March 2023	39,299.81
Changes in equity share capital during the year	31,452.85
Balance as at 31 March 2024	70,752.66

**B: Other Equity**

Particulars	(Rs. in Lakhs)
	Retained earnings
Balance as at 1 April 2022	(35.68)
Loss for the year	(274.23)
Other comprehensive income for the year, net of income tax (*)	(6.37)
Total comprehensive income for the year	(280.60)
Balance as at 31 March 2023	(316.28)
Loss for the year	(300.57)
Other comprehensive income for the year, net of income tax (*)	(58.68)
Total comprehensive income for the year	(359.25)
Balance as at 31 March 2024	(675.53)

(\*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

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

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

*S.S. Malani*

**Sandesh S Malani**

Partner

Membership No. 110051

Place: Pune

Date: 3 May 2024



**For GFCL EV PRODUCTS LIMITED**

*V. K. Jain*

**V. K. Jain**

Director

DIN: 00029968

Place: Noida

*Manoj Agrawal*

**Manoj Agrawal**

Chief Financial Officer

Place: Noida

Date: 3 May 2024

*Dr. Bir Kapoor*

**Dr. Bir Kapoor**

Director

DIN: 01771510

Place: Noida

*B. V. Desai*

**B. V. Desai**

Company Secretary

Place: Vadodara

**GFCL EV PRODUCTS LIMITED**

**Statement of Cash Flows for the year ended 31 March 2024**

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A Cash flow from operating activities</b>		
Loss for the year	(300.57)	(274.23)
<b>Adjustments for :</b>		
Tax expense	(61.85)	-
Depreciation	154.06	-
Net unrealised loss on foreign currency transactions & translation	0.04	-
Interest income	(4.94)	(4.45)
Finance costs	52.78	38.28
<b>Operating loss before working capital changes</b>	<b>(160.48)</b>	<b>(240.40)</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in inventories	(3,502.85)	-
(Increase)/decrease in trade receivables	(39.52)	-
(Increase)/decrease in other financial assets	5.87	(1.92)
(Increase)/decrease in other assets	(4,730.03)	(4,463.44)
Increase/(decrease) in provisions	131.23	39.78
Increase/(decrease) in trade payables	2,011.20	98.13
Increase /(decrease) in other financial liabilities	224.62	173.01
Increase /(decrease) in other liabilities	(21.44)	44.67
<b>Cash used in operations</b>	<b>(6,081.40)</b>	<b>(4,350.17)</b>
Income-tax paid (net)	(4.11)	(2.91)
<b>Net cash used in operating activities</b>	<b>(6,085.51)</b>	<b>(4,353.08)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including changes in capital work-in-progress and capital creditors/capital advances)	(28,770.77)	(31,530.91)
Payments for acquiring right-of-use assets	-	(322.68)
Interest income	-	0.45
Movement in other bank balances	-	(82.30)
<b>Net cash used in investing activities</b>	<b>(28,770.77)</b>	<b>(31,935.44)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares	31,452.85	39,298.81
Proceeds from/(repayment of) current borrowings (net)	(1,109.36)	1,101.87
Proceeds from inter-corporate deposits received from holding company	4,500.00	12,050.00
Repayment of inter-corporate deposits received from holding company	-	(15,550.00)
Payment of lease liabilities	(60.00)	(60.00)
Finance costs	(53.14)	(578.22)
<b>Net cash generated from financing activities</b>	<b>34,730.35</b>	<b>36,262.46</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(125.93)</b>	<b>(26.06)</b>
Cash and cash equivalents as at the beginning of the year	156.56	182.62
<b>Cash and cash equivalents as at the end of the year</b>	<b>30.63</b>	<b>156.56</b>



**GFCL EV PRODUCTS LIMITED****Statement of Cash Flows for the year ended 31 March 2024 - Continued****Changes in liabilities arising from financing activities during the year ended****(Rs. in Lakhs)**

Particulars	Non-Current Borrowings	
	31 March 2024	31 March 2023
Opening balance	-	-
Cash flows	4,500.00	-
Interest expense	24.53	-
Interest paid	(2.45)	-
<b>Closing balance</b>	<b>4,522.08</b>	<b>-</b>

**(Rs. in Lakhs)**

Particulars	Current Borrowings	
	31 March 2024	31 March 2023
Opening balance	1,131.50	3,517.16
Cash flows	(1,109.36)	(2,398.13)
Interest expense	19.77	574.55
Interest paid	(39.95)	(569.57)
Foreign exchange (gain)/loss	(1.96)	7.49
<b>Closing balance</b>	<b>-</b>	<b>1,131.50</b>

**Notes:**

1. The above statement of cash flows has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per note 12
3. The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

*S.S. Malani***Sandesh S Malani**

Partner

Membership No. 110051

Place: Pune

Date: 3 May 2024

**For GFCL EV PRODUCTS LIMITED***V. K. Jain*

V. K. Jain

Director

DIN: 00029968

Place: Noida

*Dr. Bir Kapoor*

Dr. Bir Kapoor

Director

DIN: 01771510

Place: Noida

*Manoj Agrawal*

Manoj Agrawal

Chief Financial Officer

Place: Noida

Date: 3 May 2024

*B. V. Desai*

B. V. Desai

Company Secretary

Place: Vadodara



## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

#### **1. Company information**

GFCL EV products Limited (the "Company" or "GFCL EV") is incorporated on 8 December 2021 under the Companies Act, 2013 and domiciled in India. The Company is a wholly owned subsidiary of Gujarat Fluorochemicals Limited ("the holding company"). During the year, the Company has commenced its commercial operations. The Company is mainly engaged in manufacturing of Battery Chemicals and allied activities. The Company caters to both domestic and international market

The Company's registered office is located at Survey No 16/3, 26 & 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380. The CIN of the Company is U24296GJ2021PLC127819.

#### **2. Statement of compliance and basis of preparation and presentation**

##### **2.1 Statement of Compliance**

These financial statements of the Company comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. The accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (see Note 2.4).

The Company is a wholly-owned subsidiary of a listed company viz. Gujarat Fluorochemicals Limited, which is required to prepare its consolidated financial statements. In view of the provisions of section 129(3) of the Act, read with Rule 6 of Companies (Accounts), Rules, 2014 and para 4 of the Ind AS 110: Consolidated Financial Statements, the Company is not required to prepare its consolidated financial statements.

These financial statements were authorized for issue by the Company's Board of Directors on 3 May 2024.

##### **2.2 Basis of preparation, presentation and measurement**

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

These financial statements have been prepared on an accrual basis and the historical cost basis except as under:

- a) certain financial assets and liabilities are measured at fair value or amortised cost (refer accounting policy regarding financial instruments);
- b) defined benefit liability is measured as per actuarial valuation.

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 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.



## GFCL EV Products Limited

### Notes to the financial statements for the year ended 31 March 2024

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

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

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

#### 2.3 Particulars of investments in subsidiary as at 31 March 2024 is as under:

Name of the Subsidiary	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights	Nature of proposed business activities
GFCL EV Products Americas LLC (incorporated on 28/02/2024)	USA	100%	Trading & warehousing of products and constituents going into EV/ESS batteries.

#### 2.4 Amendments of existing accounting standards and recent accounting pronouncements

##### a. Amendments to existing accounting standards:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 31 March 2023, amendments to the existing standards have been notified and these amendments are effective from 1 April 2023. The summary of these amendments is as under:

- Amendments to Ind AS 1 Presentation of Financial Statements: The amendments require the entities to disclose their material accounting policies rather than their significant accounting policies.
- Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments have introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.



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## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

- Amendments to Ind AS 12 Income Taxes: The amendments have narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off-setting temporary differences.

The above amendments did not have any impact on the financial statements of the Company.

#### **b. New accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules. There is no such notification which is applicable from 1 April 2024.

### **3. Material Accounting Policies**

#### **3.1 Revenue recognition**

Revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Sale of products: Revenue from sale of products is recognized when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are generally made with a credit term of less than 90 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

#### **Contract balances:**

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented as 'Advances from customers'.

#### **Other income**

Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



## GFCL EV Products Limited

### Notes to the financial statements for the year ended 31 March 2024

#### 3.2 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalized.

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Expenses those are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as 'Other Non-Current Assets'.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of a PPE at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. 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.

PPE are depreciated over its estimated useful lives as per Part C of Schedule II to the Companies Act, 2013.

Type of Asset	Estimates useful life of asset
Building and Roads	10 to 30 years
Plant, machinery and equipments	10 to 20 years
Computers	3 years
Office equipments	5 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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.



## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

#### **3.3 Impairment of property, plant and equipment**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

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

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

#### **3.4 Borrowing costs**

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

#### **3.5 Inventories**

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of imported materials include customs duty



## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

payable thereon, wherever applicable. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **3.6 Employee benefits**

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, commission, performance incentives, short-term compensated absences etc.

Long-term employee benefits:

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans:

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan and is unfunded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

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

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilized accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as

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## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

#### **3.7 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Company as lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

"Lease liabilities" and "Right of use assets" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **3.8 Foreign currency transactions and translation**

The transactions in currencies other than the Company'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, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest



## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

#### **3.9 Taxation**

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

##### **Current tax:**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

##### **Presentation of current and deferred tax:**

Current and deferred tax are recognised in the statement of profit and 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

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## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

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

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### **3.10 Investment in subsidiary**

Investment in subsidiary is carried at cost less accumulated impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary the difference between net disposal proceeds and the carrying amount is recognised in the Statement of Profit and Loss.

#### **3.11 Provisions and contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

#### **3.12 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. 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



## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **A) Financial assets**

##### **a) Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

##### **b) Effective interest method**

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the 'Other income' line item.

##### **c) Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and;
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

##### **i. Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.



**GFCL EV Products Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

**ii. Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company.

**iii. Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

This category does not apply to any of the financial assets of the Company.

**a) Foreign exchange gains and losses**

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

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

**b) Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.



## **GFCL EV Products Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

#### **c) Impairment of financial assets**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.



**GFCL EV Products Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

**B] Financial liabilities and equity instruments**

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.

**i. Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**ii. Financial Liabilities: -**

**a) Initial recognition and measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

**b) Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

**c) Derecognition of financial liabilities:**

A financial liability is derecognized 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 between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

**3.13 Earnings Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



## GFCL EV Products Limited

### Notes to the financial statements for the year ended 31 March 2024

#### 4. Critical accounting judgements and use of estimates

The preparation of Company's financial statements requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Following are the critical judgements, assumptions and use of estimates that have significant effects on the amounts recognised in these financial statements:

a) Useful lives of Property, Plant & Equipment (PPE):

The Company has adopted useful lives of PPE as described in Note 3.2. Depreciation is based on management estimates of the future useful lives of the property, plant and equipment. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Company reviews the estimated useful lives of PPE at the end of each reporting period.

b) Defined employee benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

c) Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs for the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

d) Recognition and measurement of provisions and contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Judgment is required to determine the probability of such potential liabilities actually crystallising.



**GFCL EV Products Limited**

**Notes to the financial statements for the year ended 31 March 2024**

In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

c) Income tax

Provision on current tax is made based on reasonable estimates of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptances of tax positions in the tax assessments etc. Further, deferred tax asset is recognized on losses on the basis of assumptions and estimates of future taxable income.



**GFCL EV PRODUCTS LIMITED**

Notes to the financial statements for the year ended 31 March 2024

**5 Property, plant and equipment**

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Carrying amount of:</b>		
Factory buildings	9,383.25	-
Plant and equipments	34,728.19	-
Office equipments	2.98	-
<b>Total</b>	<b>44,114.42</b>	<b>-</b>

(Rs. in Lakhs)

Particulars	Factory buildings	Plant and equipments	Office equipments	Total
<b>I. Cost</b>				
Balance as at 1 April 2022	-	-	-	-
Balance as at 31 March 2023	-	-	-	-
Additions	9,311.08	34,513.14	3.96	43,828.18
Borrowings cost	93.88	341.04	-	434.92
<b>Balance as at 31 March 2024</b>	<b>9,404.96</b>	<b>34,854.18</b>	<b>3.96</b>	<b>44,263.10</b>

(Rs. in Lakhs)

Particulars	Factory buildings	Plant and equipments	Office equipments	Total
<b>II. Accumulated depreciation</b>				
Balance as at 1 April 2022	-	-	-	-
Balance as at 31 March 2023	-	-	-	-
Depreciation expense for the year	21.71	125.99	0.98	148.68
<b>Balance as at 31 March 2024</b>	<b>21.71</b>	<b>125.99</b>	<b>0.98</b>	<b>148.68</b>

(Rs. in Lakhs)

Particulars	Factory buildings	Plant and equipments	Office equipments	Total
<b>III. Net carrying amount</b>				
As at 31 March 2023	-	-	-	-
As at 31 March 2024	9,383.25	34,728.19	2.98	44,114.42

Note: The Company has not revalued its property, plant and equipment.

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**GFCL EV PRODUCTS LIMITED**

Notes to the financial statements for the year ended 31 March 2024

**6 Capital work-in-progress**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Capital work-in-progress	16,307.32	30,710.40
Pre-operative expenditure pending allocation	1,432.32	1,733.08
<b>Total</b>	<b>17,739.64</b>	<b>32,443.48</b>

Particulars of pre-operative expenditure incurred during the year are as under:

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31st March 2023
<b>Opening balance</b>	<b>1,733.08</b>	<b>66.61</b>
Add: Expenses incurred during the year		
Employee benefits expense	2,625.71	788.97
Borrowing costs	75.06	603.84
Depreciation	85.06	42.04
Power and fuel	881.79	81.84
Production labour charges	185.37	-
Legal & professional fees and expenses	358.25	117.73
Other expenses	252.15	32.05
	4,463.39	1,666.47
<b>Sub-total</b>	<b>6,196.47</b>	<b>1,733.08</b>
Less: Capitalised during the year	(4,764.15)	-
<b>Closing balance</b>	<b>1,432.32</b>	<b>1,733.08</b>

Capital work-in-progress (CWIP) ageing schedule as at 31 March 2024

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	14,267.05	3,472.59	-	17,739.64
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>14,267.05</b>	<b>3,472.59</b>	<b>-</b>	<b>17,739.64</b>

Capital work-in-progress (CWIP) ageing schedule as at 31 March 2023

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	31,688.11	755.37	-	32,443.48
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>31,688.11</b>	<b>755.37</b>	<b>-</b>	<b>32,443.48</b>



**GFCL EV PRODUCTS LIMITED**

Notes to the financial statements for the year ended 31 March 2024

**7 Investments**

Investment in subsidiary (measured at cost)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Non-Current, fully paid-up</b>		
<b>Unquoted investments</b>		
<b>Investments in Equity instruments</b>		
GFCL EV Products Americas LLC (20,000 units of USD 10 each)	166.81	-
<b>Total</b>	<b>166.81</b>	<b>-</b>

**8 Other financial assets**

(Unsecured, considered good, unless otherwise stated)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Non-current bank balances (from Note 13)	90.75	86.30
<b>Total</b>	<b>90.75</b>	<b>86.30</b>
<b>Current</b>		
Security deposit	0.10	0.10
Other receivables from related party	-	5.87
<b>Total</b>	<b>0.10</b>	<b>5.97</b>

Note: The above financial assets are measured at amortised cost.

**9 Other assets**

(Unsecured, considered good, unless otherwise stated)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Capital advances	5,746.28	6,498.42
Balance with government authorities - Balance in GST accounts	6,752.22	-
Prepayments	13.14	-
<b>Total</b>	<b>12,511.64</b>	<b>6,498.42</b>
<b>Current</b>		
Advance to suppliers	628.50	88.45
Balance with government authorities - Balance in GST accounts	1,818.00	4,397.13
Prepayments	6.02	2.27
<b>Total</b>	<b>2,452.52</b>	<b>4,487.85</b>



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****10 Inventories**

(At lower of cost and net realisable value)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Raw materials	2,634.18	-
Work-in-progress	296.40	-
Finished goods	334.94	-
Stores and spares	228.86	-
Others - Packing materials	8.47	-
<b>Total</b>	<b>3,502.85</b>	<b>-</b>

The mode of valuation of inventories has been stated in Note 3.5

**11 Trade receivables**

(Unsecured, considered good, unless otherwise stated)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Considered good	39.52	-
<b>Total</b>	<b>39.52</b>	<b>-</b>

Note: The above trade receivables are undisputed and not due.

**12 Cash & cash equivalents**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Balances with banks - in current account	30.63	156.56
<b>Total</b>	<b>30.63</b>	<b>156.56</b>

**13 Other bank balances**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Bank deposits with original maturity of more than 12 months	90.75	86.30
Less: Amount disclosed under Note 8 - Other non-current financial assets	(90.75)	(86.30)
<b>Total</b>	<b>-</b>	<b>-</b>

**Bank deposits include margin money deposits kept as security against bank guarantees as under:**

Bank deposits with original maturity of more than 12 months	90.75	86.30
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**GFCL EV PRODUCTS LIMITED**

**Notes to the financial statements for the year ended 31 March 2024**

**14 Equity share capital**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Authorised capital</b>		
1000,00,00,000 (31 March 2023: 600,00,00,000) equity shares of Re 1 each	1,00,000.00	60,000.00
<b>Issued, subscribed and paid up</b>		
707,52,65,904 (31 March 2023: 392,99,81,250) equity shares of Re 1 each	70,752.66	39,299.81
<b>Total</b>	<b>70,752.66</b>	<b>39,299.81</b>

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the year	3,92,99,81,250	39,299.81	1,00,000	1.00
Shares issued during the year	3,14,52,84,654	31,452.85	3,92,98,81,250	39,298.81
<b>At the end of the year</b>	<b>7,07,52,65,904</b>	<b>70,752.66</b>	<b>3,92,99,81,250</b>	<b>39,299.81</b>

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

**(c) Shares held by holding company**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
Gujarat Fluorochemicals Limited (*)	7,07,52,65,904	70,752.66	3,92,99,81,250	39,299.81

**(d) Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
Gujarat Fluorochemicals Limited (*)	7,07,52,65,904	100.00%	3,92,99,81,250	100.00%

(\*) Includes shares held by nominee shareholders.

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**GFCL EV PRODUCTS LIMITED**

Notes to the financial statements for the year ended 31 March 2024

**14 Equity share capital - continued****(e) Shareholding of promoters:**

Disclosure of Shareholding of promoters as at 31 March 2024 is as follows

Name of promoters	As at 31 March 2024		As at 31 March 2023		% Change during the year
	No. of shares	% of holding	No. of shares	% of holding	
Gujarat Fluorochemicals Limited (*)	7,07,52,65,904	100.00%	3,92,99,81,250	100.00%	-

Disclosure of Shareholding of promoters as at 31 March 2023 is as follows

Name of promoters	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of shares	% of holding	No. of shares	% of holding	
Gujarat Fluorochemicals Limited (*)	3,92,99,81,250	100.00%	1,00,000	100.00%	-

(\*) Includes shares held by nominee shareholders.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****15 Other Equity**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Retained earnings	(675.53)	(316.28)
<b>Total</b>	<b>(675.53)</b>	<b>(316.28)</b>

**15.1 Retained earnings**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	(316.28)	(35.68)
Loss for the year	(300.57)	(274.23)
Other comprehensive income for the year, net of income tax	(58.68)	(6.37)
<b>Balance at the end of the year</b>	<b>(675.53)</b>	<b>(316.28)</b>

**16 Non-Current Borrowings**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Inter-corporate deposits from holding company	4,522.08	-
<b>Total</b>	<b>4,522.08</b>	<b>-</b>

**Terms of unsecured borrowings:**

- a) The inter-corporate deposits from the holding company are unsecured and repayable after 2 years from the respective date of deposits and carry interest @ 7.50% p.a.
- b) There is no default in repayment of principal and payment of interest on borrowings.

**17 Other financial liabilities**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Creditors for capital expenditure (*)	3,218.23	3,342.00
Employees dues payables	380.28	184.57
Capital contribution in subsidiary company payable	166.81	-
Other payables	52.65	-
<b>Total</b>	<b>3,817.97</b>	<b>3,526.57</b>

(\*) Includes dues to micro enterprises and small enterprises (see Note 41).



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****18 Provisions**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Provision for employee benefits (see Note 36)		
- for Gratuity	85.03	41.88
- for Compensated absences	69.30	23.31
<b>Total</b>	<b>154.33</b>	<b>65.19</b>
<b>Current</b>		
Provision for employee benefits (see Note 36)		
- for Gratuity	75.03	1.31
- for Compensated absences	47.98	8.77
<b>Total</b>	<b>123.01</b>	<b>10.08</b>

**19 Deferred tax assets (net)**

For the year ended 31 March 2024

**19.1 The major components of deferred tax assets/(liabilities) in relation to:**

Particulars	(Rs. in Lakhs)			
	As at 1 April 2023	Recognised in profit or loss	Other Comprehensive income	As at 31 March 2024
Property, plant and equipment	-	(503.89)	-	(503.89)
Unabsorbed depreciation (see Note below)	-	529.40	-	529.40
Business loss (see Note below)	-	13.82	-	13.82
Gratuity and leave benefits	-	22.52	12.16	34.68
	-	<b>61.85</b>	<b>12.16</b>	<b>74.01</b>

**Note:** The Company has recognised deferred tax asset on tax losses comprising of unabsorbed depreciation and business losses as per the Income-tax Act, 1961 based on the projections and estimates of the profitability of the Company. The Company expect the said tax losses to be utilized and consequently, the Company has concluded that the said deferred tax asset is recoverable.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****20 Current Borrowings**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
From bank		
- Foreign currency loans - Buyers credit	-	1131.50
<b>Total</b>	<b>-</b>	<b>1131.50</b>

**Terms of unsecured borrowings:**

- a) Foreign currency loan - Buyers credit was repaid on 24 April 2023 and carried interest rate equivalent to 6M SOFR + 1% spread. The holding company had given corporate guarantee for the same.
- b) There is no default in repayment of principal and payment of interest on borrowings.

**21 Trade Payables**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
- Total outstanding dues of micro enterprises & small enterprises (see Note 41)	412.27	4.41
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,702.45	99.07
<b>Total</b>	<b>2,114.72</b>	<b>103.48</b>

For ageing of trade payables (see Note 40)

**22 Other Current liabilities**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Statutory dues and taxes payable	128.91	150.35
<b>Total</b>	<b>128.91</b>	<b>150.35</b>





**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****23 Revenue from Operations**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
(a) Revenue from Contracts with Customers		
Sale of Products	36.82	-
<b>Total</b>	<b>36.82</b>	<b>-</b>

**23.1 Disaggregated Revenue Information  
For year ended 31 March 2024**

Particulars	(Rs. in Lakhs)		
	India	China	Total
Battery Chemicals (Lithium Hexafluorophosphate etc.)	14.94	21.88	36.82
<b>Total</b>	<b>14.94</b>	<b>21.88</b>	<b>36.82</b>

**23.2 Contract Balances**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Trade receivables	39.52	-

**23.3 Performance Obligation**

There are no remaining performance obligations as at the end of the year. For this purpose, as permitted under Ind AS 115, the transaction price allocated to contracts for original expected duration of one year or less are not considered.

**24 Other income**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
(a) Interest Income		
(i) On financial assets using effective interest method:		
- on fixed deposits with banks	4.94	4.45
(b) Net gain on foreign currency transactions and translation	17.16	74.17
<b>Total</b>	<b>22.10</b>	<b>78.62</b>




**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****25 Cost of materials consumed**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Raw materials consumed	623.64	-
Packing materials consumed	0.71	-
<b>Total</b>	<b>624.35</b>	<b>-</b>

**26 Changes in inventories of finished goods and work-in-progress**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Opening Inventories</b>		
Finished goods	-	-
Work-in-progress	-	-
	-	-
<b>Less: Closing Inventories</b>		
Finished goods	334.94	-
Work-in-progress	296.40	-
	631.34	-
<b>Increase in inventories</b>	<b>(631.34)</b>	<b>-</b>

**27 Employee Benefit Expense**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	39.42	-
Contribution to provident and other fund	2.56	-
Gratuity	2.02	-
Staff welfare expenses	0.09	-
<b>Total</b>	<b>44.09</b>	<b>-</b>



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****28 Finance costs**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
A) Interest expenses		
a) Interest on financial liabilities measured at amortised cost		
- Interest on borrowings	19.77	22.14
- Interest on inter-corporate deposits from holding company	24.53	552.41
b) Interest on lease liabilities	50.53	51.43
c) Other Interest expense	7.31	8.65
	<b>102.14</b>	<b>634.63</b>
B) Net foreign exchange loss on borrowings (considered as finance costs)	1.96	7.49
C) Other borrowing costs	23.74	-
<b>Sub-total (A+B+C)</b>	<b>127.84</b>	<b>642.12</b>
Less: Borrowing costs capitalised	(75.06)	(603.84)
<b>Total</b>	<b>52.78</b>	<b>38.28</b>

Note: The weighted average capitalisation rate of funds borrowed is 7.50% p.a.

**29 Depreciation**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	148.68	-
Depreciation on right-of-use assets (see Note below)	5.38	-
<b>Total</b>	<b>154.06</b>	<b>-</b>

Note: Depreciation on right of use assets amounting to Rs. 85.06 lakhs (previous year Rs. 42.04 lakhs) has been capitalised as pre-operative expenditure.

**30 Other expenses**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Rent	1.56	1.56
Legal and professional fees and expenses	98.06	263.93
Bank charges	1.00	15.92
Membership and subscription fees	1.00	14.23
Miscellaneous expenses	23.21	18.93
<b>Total</b>	<b>124.83</b>	<b>314.57</b>



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****31 Income tax recognised in profit or loss**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>i) Income tax expense recognised in the statement of profit &amp; loss</b>		
Deferred Tax	(61.85)	-
<b>Sub-total</b>	<b>(61.85)</b>	-
<b>ii) Income tax recognised in Other Comprehensive income</b>		
Deferred tax on remeasurement of defined benefit plans	(12.16)	-
<b>Sub-total</b>	<b>(12.16)</b>	-
<b>Total tax expense</b>	<b>(74.01)</b>	-

**31.1 The income tax expense for the year can be reconciled to the accounting profit as follows:**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Loss before tax	(362.42)	(274.23)
Income tax using the Company's domestic tax rate @ 17.16%	(62.19)	(47.06)
Effect of non-deductible expenses	0.34	47.06
<b>Income tax expense recognised in the statement of profit &amp; loss</b>	<b>(61.85)</b>	-

**31.2** The Company had exercised the option under section 115BAB of the Income Tax Act, 1961. Hence, the applicable tax rate for the financial year 2023-24 and 2022-23 is the corporate tax rate of 17.16%.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****32 Payments to auditor****(Rs. in Lakhs)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
As Statutory auditor	3.00	2.00
Audit of foreign subsidiary companies	0.25	-
Reports under Income Tax Act, 1961	0.50	-
For taxation matters	0.25	0.25
Certification	0.05	-
<b>Total</b>	<b>4.05</b>	<b>2.25</b>

Note: The above amount is exclusive of GST.

**33 Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 14,869.14 lakhs (previous year Rs. 11,556.25 lakhs).

**34 Segment Information**

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of 'Chemicals' comprising of Battery Chemicals. Hence, the Company is having only one reportable business segment under Ind AS 108 on "Operating segment.

**34.1 Break up of Revenue from Operations****A) Product-wise breakup** **(Rs. in Lakhs)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(a) Sale of products</b>		
Battery Chemicals (Lithium Hexafluorophosphate etc.)	36.82	-
<b>Total Revenue from operations</b>	<b>36.82</b>	<b>-</b>

**B) Geographical breakup** **(Rs. in Lakhs)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
India	14.94	-
China	21.88	-
<b>Total Revenue from operations</b>	<b>36.82</b>	<b>-</b>

**34.2 Information about major customers**

There are two external customer who contributed more than 10% to the Company's revenue during the financial year 2023-2024.



**GFCL EV PRODUCTS LIMITED**

Notes to the financial statements for the year ended 31 March 2024

**35 Related party transactions****(i) Where control exists:**

- Gujarat Fluorochemicals Limited (GFL) - the holding company
- Inox Leasing and Finance Limited - ultimate holding company
- Mr. V. K. Jain - ultimate controlling party
- GFCL EV Products Americas LLC - subsidiary company (incorporated on 28/02/2024)

**(ii) Other related parties with whom there are transactions during the year:**

- Enterprise over which a key management personnel or his relatives, have significant influence
- INOX Air Products Private Limited

**(iii) Particulars of transactions**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>A) Transactions during the year</b>		
<b>(i) With parties where control exists</b>		
<b>Gujarat Fluorochemicals Limited</b>		
Purchase of goods	761.26	-
Rent paid	61.56	61.56
Guarantee commission expense	23.74	-
Interest expenses on Inter-corporate deposit	24.53	552.41
Power and fuel	34.74	-
Sale of stores and spares	132.59	-
Inter-corporate deposit received	4,500.00	12,050.00
Inter-corporate deposit repaid	-	15,550.00
Issue of share capital	31,452.85	39,299.81
Corporate guarantees received	2,343.96	2,470.54
Corporate guarantees extinguished/exposure reduced	1,846.36	-
Reimbursement of expenses (paid)/Payments made on behalf of the Company	285.40	338.85
Reimbursement of expenses (received)/Payments made on behalf by the Company	-	18.10
<b>GFCL EV Products Americas LLC</b>		
Capital contribution in subsidiary company	166.81	-
<b>(ii) With other parties</b>		
<b>INOX Air Products Private Limited</b>		
Purchase of goods	19.47	35.55




**GFCL EV PRODUCTS LIMITED**

Notes to the financial statements for the year ended 31 March 2024

**35 Related party transactions - continued****(iii) Particulars of transactions - continued**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>B) Balances at the end of the year</b>		
<b>(i) With parties where control exists</b>		
<b>Gujarat Fluorochemicals Limited</b>		
(a) Amounts payables		
(i) Inter-corporate deposits	4,500.00	-
(ii) Interest Accrued on Inter corporate deposit	22.08	-
(iii) Trade and other payables	1,150.77	409.20
(b) Corporate guarantees received	2,968.14	2,470.54
<b>GFCL EV Products Americas LLC</b>		
Capital contribution payable	166.81	-
<b>(ii) With other parties</b>		
<b>INOX Air Products Private Limited</b>		
Trade and other payables	4.66	20.80

**Notes:**

(a) Amounts outstanding are unsecured and will be settled in cash.

(b) The Company has received a corporate guarantee from the Holding company. No such corporate guarantees have been given by the Company.

(c) The Company has been provided with inter-corporate deposit at rate comparable to the commercial rate of interest.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****36 Employee Benefits:****(a) Defined Contribution Plans**

The Company contributes to the government managed provident & pension fund for all qualifying employees. During the year, contribution of Rs. 125.79 lakhs (previous year Rs. 42.03 lakhs) to provident and pension fund is included in pre-operative expenses while contribution of Rs. 2.56 lakhs (previous year Nil) is included in profit and loss account.

**(b) Defined Benefit Plans:**

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The Company's defined benefit plan is unfunded. There are no other post retirement benefits provided by the Company.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31 March 2024 by Mr. Charan Gupta, fellow member of the institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

**(i) Movement in the present value of the defined benefit obligation are as follows: (Rs. in Lakhs)**

Particulars	As at	As at
	31 March 2024	31 March 2023
Opening defined benefit obligation	43.19	20.35
Current service cost	42.85	18.30
Interest cost	3.18	1.45
Actuarial gains/(losses) on obligation:		
a) arising from changes in financial assumptions	0.98	(0.58)
b) arising from experience adjustments	69.86	6.95
Benefits paid	-	(3.28)
<b>Present value of defined benefit obligation as at year end</b>	<b>160.06</b>	<b>43.19</b>

**(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	42.85	18.30
Interest expense	3.18	1.45
	<b>46.03</b>	<b>19.75</b>
Less: Amount capitalised and included in pre-operative expenses	(44.01)	(19.75)
<b>Net amount recognized in the statement of profit and loss</b>	<b>2.02</b>	<b>-</b>
Actuarial gains/(losses):		
a) arising from changes in financial assumptions	0.98	(0.58)
b) arising from experience adjustments	69.86	6.95
<b>Amount recognized in other comprehensive income</b>	<b>70.84</b>	<b>6.37</b>
<b>Total</b>	<b>72.86</b>	<b>6.37</b>





**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****36 Employee Benefits - continued**

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows.

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.25%	7.38%
Expected rate of salary increase	8.00%	8.00%
Employee Attrition Rate	5.00%	5.00%
Mortality	IALM (2012-14) Ultimate Mortality Table	

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

This plan typically expose the company to actuarial risks such as interest rate risk and salary risk.

- a) Interest risk: a decrease in the bond interest rate will increase the plan liability.  
b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

**(iv) Sensitivity Analysis**

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars - Impact on Present Value of defined benefit obligation	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
if discount rate increased by 1%	(8.60)	(3.76)
if discount rate decreased by 1%	9.35	4.39
if salary escalation rate increased by 1%	9.24	4.32
if salary escalation rate decreased by 1%	(8.58)	(3.78)

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

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



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**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****36 Employee Benefits - continued****(v) Expected contribution to the defined benefit plan in future years****(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Expected outflow in 1st Year	75.03	1.31
Expected outflow in 2nd Year	1.91	1.32
Expected outflow in 3rd Year	2.41	1.36
Expected outflow in 4th Year	6.82	1.58
Expected outflow in 5th Year	9.83	3.41
Expected outflow in 6th to 10th Year	64.06	34.21

The average duration of the defined benefits plan obligation at the end of the reporting period is 14.33 years (previous period 14.55 years)

**(c) Compensated absences:****Annual leave and short term leave**

The liability towards compensated absences (annual and short term leave) for the year ended 31 March 2024 based on actuarial valuation carried out by using Projected unit credit method resulted in increase in liability by Rs. 83.83 lakhs (previous year Rs. 16.36 lakhs).

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

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Discount rate	7.25%	7.38%
Expected rate of salary increase	8.00%	8.00%
Employee Attrition Rate	5.00%	5.00%
Mortality	IALM (2012-14) Ultimate Mortality Table	



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****37 Financial Instruments****37.1 Capital management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt from the holding company and total equity of the Company. The Company is wholly owned by its holding company and is not subject to any externally imposed capital requirements.

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

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Total debts	4,522.08	1,131.50
Cash and bank balances	(30.63)	(156.56)
Net debt	<b>4,491.45</b>	<b>974.94</b>
Total equity	<b>70,077.13</b>	<b>38,983.53</b>
Net debt to equity ratio (in times)	<b>0.06</b>	<b>0.03</b>

**Notes:**

- 1) Debt is defined as non current, current borrowings and interest accrued thereon (Note 16 and 20), and excludes lease liability.
- 2) Cash and bank balances include cash & cash equivalents (Note 12) and other bank balances (Note 13) (excluding margin money deposits).

**37.2 Categories of financial instruments**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(i) Trade receivables	39.52	-
(ii) Cash and bank balances	30.63	156.56
(iii) Other financial assets	90.85	92.27
	<b>161.00</b>	<b>248.83</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(i) Borrowings	4,522.08	1,131.50
(ii) Lease liabilities	500.08	509.55
(iii) Trade Payables	2,114.72	103.48
(iv) Other financial liabilities	3,817.97	3,526.57
	<b>10,954.85</b>	<b>5,271.10</b>

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****37 Financial Instruments - continued****37.3 Financial risk management**

The company's financial liabilities comprise of borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's present activities including acquiring of PPE and ROU. The Company's financial assets comprise of trade receivables, cash and cash equivalents and other bank balances and security deposits.

The Company is exposed to financial risks which include market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**37.3.1 Market Risk**

Market risk comprises of currency risk, interest rate risk and other price risk. The Company does not have any exposure to interest rate risk, as the borrowing is from holding company at fixed interest rate. The company does not have investment in quoted equity instrument as at year end. Further, investment in subsidiary are held for strategic rather than trading purposes and the Company does not actively trade this investment. Thus the exposure to risk of changes in market risk is minimal.

**Foreign Currency Risk Management**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company is subject to the risk that changes in foreign currency values impact the Company's imports of capital goods, services and borrowings etc. Exchange rate exposures are managed within approved policy parameters utilising forward foreign currency contracts, as and when necessary.

The carrying amount of unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Liabilities</b>		
USD	7.20	1,110.22
Euro	-	2.73
Others	-	1.94
<b>Assets</b>		
CNY	21.88	-



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****37 Financial Instruments - continued****Foreign Currency Sensitivity Analysis**

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and CNY.

The following table details the Company's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Company.

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional impact in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>USD impact (net of taxes)</b>		
Impact on profit or loss for the year	0.60	91.97
Impact on total equity as at the end of the reporting period	0.60	91.97
<b>CNY impact (net of taxes)</b>		
Impact on profit or loss for the year	1.81	-
Impact on total equity as at the end of the reporting period	1.81	-

**37.3.2 Credit Risk Management**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, balances with banks.

**(a) Trade Receivables**

The credit risk arising from trade receivables is managed in accordance with the company's established policy, procedure and control relating to customer credit risk management. The average credit period on the sale of product is less than 90 days. There are 2 external customers representing more than 5% of the total balance of trade receivables as on 31 March 2024 amounting to Rs. 39.52 lakhs.

All trade receivables are reviewed and assessed for default on a time-to-time basis. The Company has initiated the first phase of its commercial production from March 2024 and accordingly will develop a provision matrix on the basis of expected credit loss trend in the coming years.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****37 Financial Instruments - continued****(b) Other financial assets**

Credit risk arising from balance with banks is limited because the counterparties are reputed banks.

**37.3.3 Liquidity risk management**

The Company manages its liquidity by financial support of holding company.

The following table details the remaining contractual maturity for its financial liabilities with agreed repayment periods from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. in lakhs)				
Particulars	Upto 1 year	1-5 years	above 5 years	Total
<b>As at 31 March 2024</b>				
Borrowings	-	4,522.08	-	4,522.08
Trade Payables	2,114.72	-	-	2,114.72
Other financial liabilities	3,817.97	-	-	3,817.97
<b>Total</b>	<b>5,932.69</b>	<b>4,522.08</b>	<b>-</b>	<b>10,454.77</b>
<b>As at 31 March 2023</b>				
Borrowings	1,131.50	-	-	1,131.50
Trade Payables	103.48	-	-	103.48
Other financial liabilities	3,526.57	-	-	3,526.57
<b>Total</b>	<b>4,761.55</b>	<b>-</b>	<b>-</b>	<b>4,761.55</b>

Liabilities of the Company will be repaid from internal cash accruals from operating activities, support of the holding company and cash and bank balances.

Particulars of contractual maturities in respect of lease liabilities is as per Note 38.

**37.4 Financial instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or settled.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****38 Leases****A. Company as a lessee**

(a) The Company's significant leasing arrangement is for leasehold land taken for factory premises.

(b) Particulars of right-of-use assets and lease liabilities.

**i. Carrying value of right-of-use assets by class of underlying assets**

Particulars	(Rs. in Lakhs)	
	Leasehold Land	Total
<b>Gross block</b>		
<b>Balance as at 1 April 2022</b>	-	-
Additions during the year	840.80	840.80
<b>Balance as at 31 March 2023</b>	<b>840.80</b>	<b>840.80</b>
Additions during the year	-	-
<b>Balance as at 31 March 2024</b>	<b>840.80</b>	<b>840.80</b>
<b>Accumulated depreciation</b>		
<b>Balance as at 1 April 2022</b>	-	-
Depreciation expense for the year	42.04	42.04
<b>Balance as at 31 March 2023</b>	<b>42.04</b>	<b>42.04</b>
Depreciation expense for the year	90.44	90.44
<b>Balance as at 31 March 2024</b>	<b>132.48</b>	<b>132.48</b>

Carrying amounts	(Rs. in Lakhs)	
	Leasehold Land	Total
As at 31 March 2023	798.76	798.76
<b>As at 31 March 2024</b>	<b>708.32</b>	<b>708.32</b>

Note: The Company has not revalued its right-of-use assets.

**ii. Movement in lease liability during year ended**

Particulars	(Rs. in Lakhs)	
	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	509.55	-
Addition during the year	-	518.12
Interest on lease liabilities	50.53	51.43
Payment of lease liabilities	(60.00)	(60.00)
<b>Balance as at the end of the year</b>	<b>500.08</b>	<b>509.55</b>

Break-up of lease liabilities:	(Rs. in Lakhs)	
	As at	As at
	31 March 2024	31 March 2023
Non-current lease liabilities	489.62	500.08
Current lease liabilities	10.46	9.47



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****38 Leases - continued****iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:**

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Maturity analysis - contractual undiscounted cash flows		
Less than one year	60.00	60.00
One to five years	240.00	240.00
More than five years	780.00	840.00
<b>Total undiscounted lease liabilities</b>	<b>1,080.00</b>	<b>1,140.00</b>

**iv. Amount recognized in statement of profit and loss**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liability	50.53	51.43
Included in rent expenses: expense relating to short-term leases	1.56	1.56
Interest on lease liability has been capitalised as pre-operative expenditure	50.53	51.43

**v. Amounts recognised in the statement of cash flows**

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Total cash outflow for leases	60.00	60.00





**GFCL EV PRODUCTS LIMITED**

**Notes to the financial statements for the year ended 31 March 2024**

**39 Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013:**

**a) Details of benami property held**

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

**b) Relationship with Struck off Companies**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**c) Compliance with number of layers of companies**

The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**d) Loans and advances granted to related party**

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties.

**e) Undisclosed income:**

There is no income surrendered or disclosed as income during the current year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), that has not been recorded in the books of account.

**f) In case of borrowings from banks**

**i) Utilisation of borrowed funds**

At the balance sheet date, the Company has used the borrowings from banks for the specific purpose for which it was taken.

**ii) Security of current assets against borrowings**

The Company does not have any borrowings from banks on the basis of security of current assets.

**iii) Wilful defaulter**

The Company is not declared wilful defaulter by any bank or other lender.

**g) Utilisation of borrowed funds and share premium:**

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) 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.

The Company has 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****39 Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 - continued****h) Corporate Social Responsibility (CSR)**

The Company is not covered under section 135 of the Companies Act, 2013.

**i) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

**j) Compliance with approved Scheme(s) of Arrangements**

There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**k) Ratios**

Name of the Ratio	Numerator	Denominator	Year ended 31 March 2024	Year ended 31 March 2023	% Variance	Reason for variance of more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	0.97	0.94	3.47%	Not applicable
Debt-equity ratio (in times)	Total debt (including lease liabilities)	Shareholder's equity	0.07	0.04	79.17%	On account of increase in borrowings and share capital.
Return on Equity (in %)	Net loss after taxes	Average shareholder's equity	(0.55%)	(2.51%)	78.04%	On account of increase in share capital.
Inventory turnover ratio (in times)	Net credit sales	Average inventory	0.01	See Note 1 below	NA	Not applicable
Trade receivable turnover ratio (in times)	Net credit sales	Average Trade Receivables	0.93	See Note 1 below	NA	Not applicable
Trade payable turnover ratio (in times)	Purchases of goods / services and other expenses	Average trade payables	0.34	3.04	(88.89%)	Not applicable, as it's the first year of commercial operations.
Net capital turnover ratio (in times)	Net Sales	Average working capital (Inventories + Trade receivables - Trade payables)	0.03	See Note 1 below	NA	Not applicable
Net profit ratio (in %)	Net loss after taxes	Net sales	(816.32%)	See Note 1 below	NA	Not applicable
Return on capital employed (in %)	Loss before tax and finance costs	Capital employed = tangible net worth + total debt (including lease liabilities) - Deferred tax assets	(0.41%)	(0.59%)	(30.05%)	On account of increase in borrowings and share capital.

**Notes:**

1) In respect of the following ratios, there are no corresponding amounts for the year ended 31 March 2023

- Inventory turnover ratio, since the Company did not have any inventory.
- Trade receivable turnover ratio, since the Company did not have revenue from operations.
- Net Capital Turnover Ratio, since the working capital was negative.
- Net profit ratio, since the Company did not have revenue from operations.

2) Following ratios are considered as not applicable to the Company:

- Debt service coverage ratio, since the earnings available for debt service is negative.
- Return on Investment, since the Company does not have any investments other than in subsidiary company.



**GFCL EV PRODUCTS LIMITED**

Notes to the financial statements for the year ended 31 March 2024

**40 Trade payables ageing schedule:****Ageing for trade payables - outstanding as at 31 March 2024 is as follows** (Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year (*)	1-2 years	2-3 years	More than 3 years	
MSME	412.27	-	-	-	412.27
Others	1,699.71	2.74	-	-	1,702.45
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,111.98</b>	<b>2.74</b>	<b>-</b>	<b>-</b>	<b>2,114.72</b>

(\*) includes unbilled payables of Rs. 402.66 lakhs.

**Ageing for trade payables - outstanding as at 31 March 2023 is as follows** (Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year (*)	1-2 years	2-3 years	More than 3 years	
MSME	4.41	-	-	-	4.41
Others	98.98	0.09	-	-	99.07
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>103.39</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>103.48</b>

(\*) includes unbilled payables of Rs. 21.04 lakhs.

**41 The particulars of dues to micro and small enterprises (MSME) under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)**

(Rs. in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount due to suppliers under MSMED Act, 2006 at the year end		
- Trade payable	412.27	4.41
- Payable towards capital expenditure	1,904.29	203.04
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	2.16	3.56
Payment made to suppliers (other than interest) beyond the appointed date during the year	282.53	307.06
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	-	-
Interest due and payable to suppliers under MSMED Act for payments already made	12.24	5.09
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end	14.40	8.65

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.



**GFCL EV PRODUCTS LIMITED****Notes to the financial statements for the year ended 31 March 2024****42 Earnings/(loss) per share**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Loss after tax as per statement of Profit and Loss (Rs. in Lakhs)	(300.57)	(274.23)
Equity shares at the beginning of the year (Nos)	3,92,99,81,250	1,00,000
Equity shares at the end of the year (Nos)	7,07,52,65,904	3,92,99,81,250
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos)	5,80,49,50,832	1,10,96,18,185
Nominal value of equity share (Re.)	1.00	1.00
Basic and diluted loss per equity share (Rs.)	(0.01)	(0.02)

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

*S.S. Malani*

**Sandesh S Malani**

Partner

Membership No. 110051

Place: Pune

Date: 3 May 2024



**For GFCL EV PRODUCTS LIMITED**

**V. K. Jain**

Director

DIN: 00029968

Place: Noida

**Manoj Agrawal**

Chief Financial Officer

Place: Noida

Date: 3 May 2024

*Dr. Bir Kapoor*

**Dr. Bir Kapoor**

Director

DIN: 01771510

Place: Noida

**B. V. Desai**

Company Secretary

Place: Vadodara