



ANNUAL REPORT

2022-2023



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NOTICE

Shorter Notice is hereby given that the 40th Annual General Meeting of the Members of **Premium Transmission Private Limited** will be held at the registered office of the Company situated at Premium House, Mumbai-Pune Road, Chinchwad, Pune – 411019 on Tuesday, 06th June' 2023 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. Adoption of the audited financial statement and Reports thereon

To receive, consider and adopt

- a. the audited financial statement of the Company for the financial year ended 31st March, 2023, the Reports of Directors and Auditors thereon; and
- b. the audited consolidated financial statement of the Company for the financial year ended 31st March, 2023.

2. Declaration of Dividend

To declare a final dividend on the equity shares of the Company.

The Board of Directors has recommended a final dividend of Rs. 5/- per equity share, i.e. 50%.

3. Re-appointment of the Statutory Auditors and to fix their remuneration:

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications(s) or re-enactment thereof) and pursuant to the recommendation of the Audit Committee and the Board of Directors the members of the Company do and hereby re-appoint M/s Price Waterhouse Chartered Accountants, LLP, (Firm Registration No. 012754N/N500016), as the Statutory Auditors of the Company from the conclusion of this Meeting to hold such office for a period of 5 years till the conclusion of the 46th Annual General Meeting, and that the Board of Directors be and is here by authorized to fix their remuneration.”



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RESOLVED FURTHER THAT any of the Director and/or Company Secretary be and is hereby authorized to do all such acts, deeds and things and execute all such documents as may be required to give effect to the above said resolution.”

SPECIAL BUSINESS

4. To ratify the remuneration of the Cost Auditors

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications(s) or re-enactment thereof), the Company hereby ratifies the remuneration, as recommended by the Audit Committee and approved by the Board of Directors of the Company, of Rs. 3.75 Lakhs plus out of pocket expenses and other taxes payable to M/s Kishore Bhatia & Associates, Cost Accountants, for conduct of audit of the cost records maintained by the Company for the financial year 2023–24.”

5. Appointment of Ms. Shefali Suri as an Independent Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Ms. Shefali Suri (DIN: 10111635), who was appointed as an Additional Director with effect from 10th May, 2023 on the Board of the Company in terms of Section 161(1) of the Companies Act, 2013 and as per of Article of Association of the Company, who holds office up to the date of this Annual General Meeting of the Company and based on the recommendations of Nomination & Remuneration Committee and the Board of Directors of the Company be and is hereby appointed as an Independent Director of the Company for the period of 3(Three) years, not liable to retire by rotation.”

RESOLVED FURTHER THAT any of the Directors and/or Ms. Nisha Sakaria, CHRO & Company Secretary be and is hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution.”



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Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member of the Company.
2. The proxy form duly completed and signed, should be lodged with the Company, at its registered office at least 48 hours before the time of the meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Resolution authorising their representative to attend and vote on their behalf at the meeting.
4. A route map along with prominent landmark for easy reach to the venue of annual general meeting is annexed with this notice.

By Order of the Board
For Premium Transmission Pvt Ltd.

Nisha Sakaria
Group CHRO & Corporate Functions

Date: 02nd June, 2023
Place: Pune



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ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013

Resolution No. 3

Pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and all other applicable provisions, together read with Companies Audit and Auditors Rules 2014, M/s Price Waterhouse Chartered Accountants, LLP, Chartered Accountants, Pune (Firm Registration No. 012754N/N500016) the Statutory Auditors were appointed as Statutory Auditors in the AGM held on 28th September, 2018 for a period of 5 years upto the conclusion of the 40th Annual General Meeting.

As per the provisions of Section 139(1) of the Companies Act, 2013 and all other applicable provisions, together read with Companies Audit and Auditors Rules 2014, M/s Price Waterhouse Chartered Accountants, LLP, Chartered Accountants, Pune (Firm Registration No. 012754N/N500016) is proposed to be appointed as the Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 40th AGM till the conclusion of the 6th AGM to be held in the F.Y. 2028-2029.

M/s Price Waterhouse Chartered Accountants, LLP, Chartered Accountants, have confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolutions.

Resolution No. 4

As per Notification dated 31st December, 2014 issued by the Ministry of Corporate Affairs, the Companies (Cost Records and Audit) Rules, 2014, provisions relating to auditing of cost accounting records are applicable to the Company with effect from 1st April, 2015. Accordingly, the audit of cost accounting records of the Company is mandatory for the financial year 2023-24.

At the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Firm), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24 at a remuneration of Rs. 3.75 Lacs plus applicable taxes and out of pocket expenses.

Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditor) Rules, 2014, requires the remuneration payable to the Cost Auditors to be ratified



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by the Members of the Company. Accordingly, the approval of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24. The Directors recommend the ordinary Resolution for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the Resolution.

Resolution No. 5

Pursuant to Section 161(1) of the Companies Act, 2013, the Board at its meeting held on 10th May, 2023 appointed Ms. Shefali Suri (DIN: 10111635), as Additional Director with immediate effect. In terms of Section 161(1) of the Companies Act, 2013 she holds office till the date of 40th Annual General Meeting and proposed to be appointed as Independent Director of the Company.

Ms. Shefali Suri is currently the Group CHRO of Greaves Cotton Ltd., Ampere Electric Vehicle (Electric 2 wheelers), Greaves Retail, Greaves Care, Best-ways Electric Vehicles (Electric 3 wheelers) and Greaves Leasing & Finance. She began her career in 1998 at Hero Honda and is an experienced CHRO with over 24 years of experience and is leading HR function for the past 15 years in FMCG, Manufacturing and Financial services industry. In her past roles she has been Head HR in Kellogg Company, Head of HR in Mirae Asset Global Investment Management (India) Pvt Ltd, CHRO in LIC Nomura Mutual Fund Asset Management Ltd., Executive Vice President & Head Human Resources at Raheja Qbe.

The Company has received consent in writing to act as directors in Form DIR 2 and intimation in Form DIR 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

Except Ms. Shefali Suri (DIN: 10111635), none of the Directors, Key Managerial Personnel and/ or their relatives is concerned or interested in this resolution.

Accordingly, the Board recommends the resolution as set out in Item No. 4 for your consideration and approval.

By Order of the Board
For Premium Transmission Pvt Ltd.

Nisha Sakaria
Group CHRO & Corporate Functions

Date: 02nd June, 2023
Place: Pune

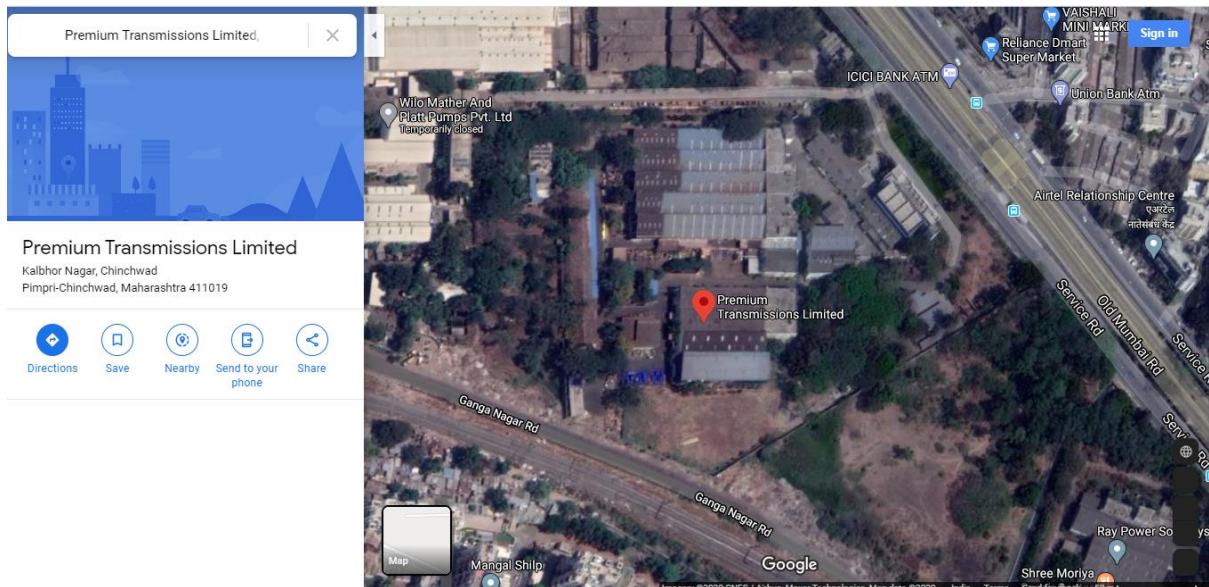


Premium Transmission Private Limited
(Corporate & Head Office)

Registered Office: Premium House, Old Mumbai-Pune Road,
Chinchwad, Pune - 411019, India. | Contact: +91-20-66314155
info@premium-transmission.com | CIN: U01119PN1983PTC133199



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DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2023

To,
The Members,
Premium Transmission Private Limited.

The Board of Directors of your Company is pleased to present the 40th Annual Report of the Company and the audited financial statements for the financial year ended on 31st March 2023.

FINANCIAL SUMMARY

The Company's financial performance for the financial year ended 31st March 2023 is summarized below:

(Rs. Million)

Sr. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Revenue from Operations	6,279.46	5,061.14
2	Other Income	31.91	24.50
3	Total Revenue (3=1+2)	6,311.37	5,085.64
4	Profit before Tax	864.14	554.76
5	Tax	160.51	216.91
6	Profit After Tax (6=4-5)	703.63	337.85

REVIEW OF OPERATIONS

During the year under review, the Company achieved a turnover of Rs. 6,279.46 Million as compared to the previous year's turnover of Rs. 5,061.14 Million. The Company registered a total revenue of Rs. 6,311.37 Million during the financial year under review as against Rs. 5,085.64 Million in the previous financial year. The Profit after Tax was Rs. 703.63 Million during the financial year under review as against Rs. 337.85 Million in the previous financial year.

Revenue from exports during the financial year was at Rs. 478.65 Million as compared to Rs. 477.51 Million in the previous financial year.



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DIVIDEND

During the year, the Company declared and paid interim dividends at Rs. 1.5/- per equity share, Rs. 3.5/- per equity share and Rs. 2.5/- per equity share in the month of August' 22, November' 22 and February' 23 amounting to total Rs. 168.75 Million.

Your Directors have recommended a final dividend of 50% (PY 40%) i.e., Rs. 5/- per Equity Share amounting to Rs. 112.5 Million.

RESERVES

Considering the future growth plan, the Directors of the Company propose to retain the profits of the current year in the profit and loss account for inoculate the same into business requirement.

STATE OF THE COMPANY AFFAIRS / CHANGES IN THE NATURE OF BUSINESS, IF ANY

Your Company began requiring employees to work from the office on 1st April 2022, during the financial year. During FY 2022-23, ensuring the health and well-being of all employees and minimising disruption to services were challenging tasks, but the Company undertook various initiatives to balance employee health, employee engagement activities and employee connection with the focus on safety. During the year, your Company successfully implemented an HRIS tool for the employees to have better accessibility and connectivity.

The sales team has been instrumental in getting and keeping a healthy order backlog. The separate verticals were created for direct and channel sales to have better control, which eventually helped the business grow. Premium Care experienced significant growth compared to the prior year, with the team not only focusing on the domestic market but also expanding into the international market. Throughout the year, efforts were made to establish Premium Care in the Middle East. The Supply Chain team played a key role in achieving this growth by ensuring a consistent supply of sustainable materials and facilitating supplier development. The primary focus during the year was to have good quality raw materials required for manufacturing activity. The manufacturing team used its capacity in a planned and efficient way, which led to improved operational efficiencies. The main objective was to enhance productivity by utilising advanced technology tools, conducting time and management studies, and monitoring critical processes at various stages to optimise their outputs. During the year, the manufacturing team focused on planning and execution through coordination with the SCM and Sales teams. The resourceful utilisation of plant capacity helped the Company manufacture high-quality products at lower costs. The manufacture and timely delivery of quality products has been a target and centre of attention.

During the FY 2022-23, the Sales team not only focused on securing orders but also made significant efforts to collect advances and outstanding against invoices. With support from the legal and finance teams, the sales team successfully recovered old, long-pending debts. The Company performed exceptionally well across all areas, resulting in the surpassing of the budgeted targets set for the fiscal year.



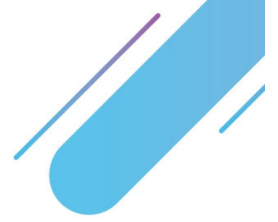
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Quality

During the financial year under review, your Company has made significant progress toward the long-term objective. The commitment to fostering a high-quality culture throughout the Company has been a fundamental driver of its success and has helped the Company evolve into a preferred choice of its customers.

Your Company has persisted in investing in its people, processes and technology to enhance the quality of its products and services. It has established a robust quality management system that encompasses every aspect of its business, from design and development to production and delivery. In the past year, the Company successfully conducted comprehensive training programmes to raise awareness and understanding of quality among its employees.

The Company's customers have expressed their admiration for the unwavering quality of its products and its commitment to meeting their demands. Looking ahead, the Company remains devoted to upholding its high standards and pursuing excellence in all its endeavors to ensure its customers' satisfaction.

Exports

In continuation with its ambition to grow internationally, the Company has identified the US as the focused market and has multiplied its business therein through successful partnerships. Further during the financial year, it increased its penetration in the African market as well. The Company also developed new partners in high-potential markets such as the Middle East, CIS and emerging economies.

In the coming years, the Company will strive to become a preferred provider of mechanical transmission solutions in focused markets.

Manufacturing

During the year, the Manufacturing team managed to achieve the highest-ever production level in the history of the Company, surpassing the previous record for the second consecutive time, with unwavering commitment, passion and dedication.

All units contributed significantly, putting their best foot forward and bettering their performance each quarter. Additionally, Unit 1 continued to improve its performance each quarter, while Unit 2 demonstrated significant performance improvement. The Company is well-positioned and fully geared up to grow steadily and consistently in the coming years by seizing new possibilities and achieving SANKALP.

The Company is also committed to continual improvement in the areas of cost reduction, value analysis/ value engineering and productivity to maintain its competitive edge in the market. In FY 2023-24, the Company also aims to implement new technologies in critical bottleneck areas for identified growth products. Unit 4 with its major CAPEX addition is set to achieve new heights in FY



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2023-24. Unit 1 is also poised to have CAPEX addition in the first half of FY 2023-24, which will help in achieving improved quality and better lead times.

Environment, Health and Safety

Your Company has always prioritized the environment as well as the health and safety of its employees. After the impact of COVID-19 on the health, your Company implemented stringent health and safety standards that were continued and will be the prime focus as well.

In continuation with the vaccination drive last year, the Company encouraged and facilitated the booster dose campaign for all employees across all units and sales offices, including their family members, to achieve maximum coverage.

The Company initiated a special drive to identify and close unsafe conditions across all units where all employees were involved. External training was also planned in areas such as behavioral-based safety, to improve the overall safety culture across the organization. Also, as a part of its continuous efforts towards improving the involvement of all employees, various activities were conducted across all units, such as celebration of the Safety Week, health awareness sessions, training sessions from external experts, first aid training, Environment Day celebration, etc.

In the coming year, your Company will continue to emphasize and prioritize health, safety and environmental concerns, and as part of its continued commitment to a green future, the Company will keep finding opportunities for improvement in these areas.

Business Processes

During the year, all servers were centralized at a single location with plant-level replication servers which has ensured better data security and monitoring control. All servers were upgraded with the latest hardware and software in line with the next 3 years. The SAP Implementation team has made good progress in terms of:

1. ERP improvisation across the Premium Group
2. Upgrading the processes for better controls
3. Upgrading the software and hardware to support secure access for employees

Outlook

The Company took several necessary mitigation measures to deliver profitable growth despite the challenges faced. The government initiative of self-reliance has encouraged local businesses, and the resilient nature of certain industries and segments, including pharmaceutical, electronics, power, and food and beverages, and created opportunities for potential future growth. The Company adapted its marketing and sales operations to reflect the changing market dynamics. During the year, the Company undertook several initiatives focused on improving the existing product range and will focus to launch new products in the market.

The people within your Company have been the driving force behind its consistent growth. As the Company intends to liquidate its wholly-owned subsidiary in Germany, it will focus on expanding its



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presence in the international market. Business inquiries from both domestic and foreign markets are on the rise, and with a healthy order book, the Company is optimistic about its future business prospects. Moreover, the Company will concentrate on enhancing the systems for its separate business verticals and reviewing existing processes and policies based on business needs.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments made, affecting the financial position between the end of the financial year of the Company and on the date of this report.

There is no order passed by any regulator or court or tribunal against the Company, impacting the going concern concept or future operations of the Company.

SUBSIDIARY

Your Company has initiated the liquidation process of its wholly owned subsidiary Premium Stephan GmbH, Hameln, Germany w.e.f. 31st January 2023.

A report on the financial position of each of the subsidiaries of the Company under Rule 8 (1) read with Rule 5 of Companies (Accounts) Rules, 2014 in Form AOC-1 is annexed as “Annexure A” and forms part of this Annual Report.

COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of your Company is duly constituted with an adequate mix and composition of Executive, Non-Executive and Independent Directors.

The Board met six times a year. The annual calendar for the Board meetings for the financial year is fixed at the beginning of each year. If necessary, Board meetings were also convened beyond the four meetings.

During the FY 2022-23, the Directors met six (6) times on 09th May 2022, 08th June 2022, 09th August 2022, 16th November 2022, 13th January 2023 and 10th February 2023. The gap between any two meetings was not more than 120 (one hundred and twenty) days as prescribed under Secretarial Standards 1.

The composition of the Board at the end of the financial year is as follows:

1. Mr. Karan Thapar,
2. Ms. Matangi Gowrishankar,
3. Mr. Firdose Vandrevale,
4. Mr. Raja Venkatraman,
5. Mr. Neeraj Bisaria,
6. Mr. Jehangir Ardeshir.



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A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

In terms of provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors held on 09th May 2022 stating that they fulfil the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 and are not disqualified to act as an Independent Director.

A STATEMENT ON THE DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain a statement indicating the development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

The Board of Directors has constituted Strategy, Risk Review and Corporate Social Responsibility Committee to oversee the risk management function. The committee comprises the following Directors:

1. Mr. Raja Venkataraman - Chairman
2. Mr. Firdose Vandrevala- Member

The Board of Directors of the Company has adopted a comprehensive Enterprise Risk Management Framework wherein the risks faced by the Company have been identified, evaluated and assessed. Based on the same, the various risks have been prioritized, procedures are devised and actions are taken to mitigate such risks. The progress checks on all the risks are done at the Senior Management level and the summary of the same is placed before the Board.

During the financial year 2022-23, the Strategy, Risk Review, and CSR Committee met four times i.e. on 06th May 2022, 01st August 2022, 09th November 2022 and 06th February 2023.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a Corporate Social Responsibility (CSR) Policy, as recommended by the Strategy, Risk Review and CSR Committee, covering the objectives, initiatives, outlay, implementation, monitoring, etc.

The Company strives to maximize the organization's positive impact and raise the social responsibility quotient by aligning with the needs of the selected communities.

The CSR Policy is displayed on the Company's website www.premium-transmission.com. A report on the CSR activities in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is enclosed in the prescribed form as Annexure B to this Directors' Report.





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COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to section 178 of the Companies Act, 2013, as applicable to the Company, the Company has constituted a "Nomination and Remuneration Committee". The Committee comprises the following directors:

1. Mr. Firdose Vandrevala – Chairman
2. Mr. Karan Thapar – Member
3. Ms. Matangi Gowrishankar – Member

During the financial year, the Committee met four times i.e., on 09th May 2022, 09th August 2022, 16th November 2022 and 10th February 2023.

The Nomination and Remuneration Committee ensures that the Company's remuneration and incentive policies, practices and key performance indicators are aligned with the Board's vision, values and overall business objectives and are appropriately designed to motivate the Executive Directors, Key Management Personnel and the Senior Management to pursue the long-term growth and success of the Company.

The Nomination and Remuneration Committee considering the requirement of the skill sets of the Board, the integrity of the persons having stood in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, recommend their appointment to the Board for approval.

The Committee has a policy in place concerning the appointment and remuneration of the Directors and Senior Management personnel.

The objectives of this policy are to:

- (a) Create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company
- (b) Encourage people to perform to their highest level
- (c) Allow the Company to compete in each relevant employment market
- (d) Provide consistency in remuneration throughout the Company
- (e) Align the performance of the business with the performance of key individuals and teams within the Company
- (f) Ensure that the overall payroll cost is commensurate with the Company's turnover and competition norms
- (g) Ensure long-term value creation
- (h) Attract and retain the best professionals

AUDIT COMMITTEE

In compliance with the requirement of Section 177, as applicable to the Company, the Board of Directors has constituted the Audit Committee. The members of the Audit Committee possess financial/accounting expertise/exposure.



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The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Audit Committee overviews the investigation report on complaints received under the vigil mechanism.

Apart from the matters provided under Section 177(4) of the Companies Act, 2013, the Audit Committee also reviews the significant legal cases pending and all material developments are reported to the Board.

The composition of the Audit Committee is as under:

1. Mr. Raja Venkataraman – Chairman,
2. Mr. Neeraj Bisaria – Member,
3. Mr. Jehangir Ardeshir - Member

Statutory Auditors and Internal Auditors are permanent invitees at the committee meetings. The Chief Financial officer is also a permanent invitee at the committee meetings.

Ms. Nisha Sakaria, Company Secretary is the Secretary of the Committee.

During the financial year, the Audit Committee met four times i.e., on 06th May 2022, 08th August 2022, 15th November 2022 and 09th February 2023.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there has not been an instance where the Board dissented or did not accept the recommendation of the Audit Committee.

PUBLIC DEPOSITS

During the year under review, the Company did not accept any deposits within the meaning of the provisions of Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

VIGIL MECHANISM

Your Company has a Whistle Blower Policy to provide a mechanism for employees to report genuine concerns via anonymous channels about any unethical behaviour within the organisation, actual or suspected fraud or violations of the Company's Code of Conduct. The Whistle Blower Policy enables employees to raise concerns freely via four channels:

1. Hotline - 1800-102-6969 (Access code – PTPL)
 - (a) This toll-free number will be operational from:
 - a. 09:00 am to 11:00 pm IST for English and Hindi
 - b. 10:00 am to 07:00 pm IST for regional languages
 - (b) Calls can be made in English, Hindi, Marathi, Gujarati and Telegu.



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- (c) Once you call on this number, based on the language selected, an operator will guide you to report your concerns.
2. Website – <https://ptpl.integritymatters.in>
(a) This is a web page link where you can report your complaints.
(b) Once you click on the link, it will take you to a web page, wherein you can record the Complaint and enter your company code “PTPL”. The web page will be in English.
(d) You can use the link through your mobile as well.
3. E-mail: report@integritymatters.in
(a) You can register your complaints at the above-secured email address.
(b) The sender's name will be kept confidential.
4. Post and Courier-based Reporting
Premium Transmission Pvt. Ltd.,
C/o Integrity Matters, Unit 1211, CENTRUM, Plot No C-3,
S.G. Barve Road, Wagle Estate, Thane West – 400604,
Maharashtra, India

STATUTORY AUDITORS AND ITS REPORT

M/s Price Waterhouse Chartered Accountants, LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) the Statutory Auditors, were re-appointed in the Annual General Meeting of the Company held on 28th September 2018 for a period of 5 years till the conclusion of the Annual General Meeting to be held in the calendar year 2023. Accordingly, it is proposed to re-appoint M/s Price Waterhouse Chartered Accountants, LLP, Chartered Accountants, (Firm Registration No. 012754N/N500016) for a further period of five (5) years commencing from the ensuing Annual General Meeting.

The Reports issued by the Statutory Auditors on the Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2023 are self-explanatory and need no explanation.

INTERNAL AUDITOR

Pursuant to Section 138 read with rule 13 of the Companies Act, 2013 Ernst & Young, Chartered Accountants, Pune was appointed as Internal Auditors of the Company for the period of three years w.e.f. FY 2022-23 to FY 2024-25 to conduct the internal audit at a remuneration as may be agreed between the Internal Auditors and the Audit Committee.

SECRETARIAL AUDIT REPORT

The Company is a Private Limited Company; the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable.



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COST AUDITORS

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board has appointed M/s Kishore Bhatia & Associates, Cost Accountants, Cost Accountants, (Firm Registration Number: 00294) as the Cost Auditors of the Company to conduct an audit of the cost records maintained by the Company for the financial year ending 31st March 2023. The remuneration payable to the Cost Auditors is subject to approval of the Members at the Annual General Meeting. Accordingly, the remuneration payable to the Cost Auditors forms a part of the Notice convening the forthcoming 40th Annual General Meeting and the resolution is recommended for your approval.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, an extract of the Annual Return of the Company in the prescribed Form MGT-9 for the year ended 31st March 2023 has been provided as Annexure D.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(3) (c) and (5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- a. The Company has followed the applicable accounting standards in the preparation of the annual accounts for the year ended 31st March 2023 and there is no material deviation from the previous year.
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company for the year ended 31st March 2023 and of the profit for the year ended 31st March 2023.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts of the Company on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and those controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- g. The Company has complied with the secretarial standards issued by the Institute of Company Secretaries of India.

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS

During FY 2022-23, under section 186 of the Companies Act, 2013 the Company has provided Inter Corporate Deposits to its wholly owned subsidiaries and also extended the corporate guarantees for the loan obtained from the financial institutions by its wholly owned subsidiary. During the year under



review, the Company has made a payment of INR 259.96 Million towards loan of Premium Stephan GmbH, which was guaranteed by the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the related party transactions (RPT), as per the requirement of Accounting Standards - 18 are disclosed in notes to the financial statements of the Company for the FY 2022-23.

RPTs that were entered into during the financial year were in the Ordinary Course of Business and at Arm's Length. All the Directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013, and as and when any changes in their interest take place, such changes are placed before the Board at its meetings.

None of the transactions with any of the related parties conflicted with the interest of the Company. A statement in the prescribed Form AOC-2 is annexed to this report as Annexure C.

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

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(A) Conservation of energy

(i) Steps that were taken towards or impacted conservation of energy are as under:

- a. Replacement of 40W conventional m/c bulbs with 9W LED bulbs.
- b. Installment of 5 min. timer for VTL machines to stop ideal running of Rapid motor.
- c. Installment of 5 min. timer for Hobbing machines to stop ideal running of Hyd. Motor.
- d. Installment of limit switch for VTL machines to stop idle running of main motor.
- e. Replacement of old less efficient pumps of cooling tower by energy efficient pumps.
- f. Installation of 500 CFM air compressor in place of old compressors with Star-Delta control.
- g. Improvement of power factor
- h. Auto controller for shop floor lights on off.
- i. Incorporation of VFD control panel to FC paint booth Blower motors to reduce KWH consumption.
- j. Introduction of Batteries & controller for Solar system to start Street lightening on Solar power.
- k. Incorporation of Max. Demand controller with Buzzer indicator at testing beds.
- l. Incorporation of 03 Nos. Air receiver tank to reduce loading Hrs. of compressors.
- m. To arrest air leakages by periodic inspection & introduction of Air blow guns.
- n. Separate pneumatic pipeline to be provided to HMC-BFW machine to reduce KWH FC COMP.
- o. All temporary pipe lines to be removed & leak proof arrangement to be provided to eliminate air leakages & Red. in KWH



(ii) Steps that were taken by the Company for utilizing alternate sources of energy

The Company has installed a rooftop solar project in the Shendra plant with an installed capacity of 680KW power generation. It will take care of 30% of our Shendra plant requirement and will further strengthen our commitment towards a green and sustainable future.

(ii) Technology absorption

The Company has not imported any technology in the last three years. Hence, the particulars with respect to efforts made towards technology absorption and benefits derived, etc. are not applicable to the Company.

(B) Research & Development Activities

In terms of new product development, FY 2022-23 was a year of accomplishments for the Company as a whole. In August 2022, a Product Strategy Workshop was held with cross-functional team participation from SLT, Marketing, Engineering, Sourcing, IO and Manufacturing this year. The goal was to set product development targets for the next three years.

The following were the objectives:

1. Explore the business of existing products in untapped applications
2. Identify market gaps for existing products and decide on product upgrades
3. Consolidation of existing products
4. Identify high-potential niche products for development

To ensure flawless and reliable product development, the Company has adopted the best global practices for new product development. It has followed the stage-gate process to ensure that targets are met in terms of technical specification and product cost at various stages of the development cycle, and production has been carried out successfully in the manufacturing facilities.

The Company has focused on developing industry and application-specific solutions in line with competition specific to the industries. In September, 2022, the following new products were launched:

1. RC Cooling Tower Gearbox
2. Smart Modular Extended Series Bevel Helical Gearbox
3. MIVA Geared Motor (06 to 09 Size)
4. PSVS Variable Filled Fluid Coupling

Expenditure incurred on the research and development:(Rs. Million)

Year	Capital Expenditure	Revenue Expenditure	Total Expenditure	Expenditure as a % of Total Turnover
FY 2022-23	4.89	216.10	220.99	3.49 %
FY 2021-22	0.66	44.81	45.46	0.90%



(D) Foreign Exchange Earnings and Outgo

In FY 2022–23, the Company has recorded earnings in foreign currency of Rs. 478.65 Million (PY Rs. 477.51 Million) and expenditure in foreign currency is equivalent to Rs. 29.31 Million (PY Rs. 39.76 Million) during the year.

DISCLOSURE UNDER THE SEXUAL HARASSMENT AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. During the year under review, a separate awareness training session was arranged for the employees of the Company.

The Company has not received any complaints of sexual harassment during FY 2022-23.

HUMAN RESOURCES

The FY 2022-23 started with SANKALP, taking the Company to greater heights.

The financial year has been a landmark in the history of the Company, as well as eventful and challenging. The Company met the huge challenge of scaling up its business and achieving further growth.

Following the pandemic, the Company has reverted to working from offices, prioritising the welfare of its employees right from the outset. This has been demonstrated in various ways, including providing vaccinations, employee health check-ups, organising various health awareness sessions for employees and their family members, and taking the initiative to provide better medical support.

The focus for FY 2022-23 remained on people, with several employee engagement programs, people development projects, and a reward and recognition program. The future leader program was launched, which comprised various leadership training, SAMWAD, and talent pool creation initiatives through recruiting GETs/MTs throughout the organization.

The Company continued taking efforts to openly communicate and maintain a transparent environment between top management and all employees. The organizational hierarchy has fostered trust and a strong connection within the Company, from the organizational level down to the manufacturing unit. Initiated many employee connections and team-building exercises which helped in improving the relationship between employees and management.

In FY 2022–23, the Company focused on enhancing Diversity & Inclusion (D&I) efforts, which involved establishing the Company's D&I philosophy and recruiting women for various functions and manufacturing units.



PREMIUM

Your Addition in Transmission

Since the Company is on a growth trajectory, personnel retention and development are critical; thus, strategic reviews (SANKALP), cultural transformation efforts, succession planning and a competency mapping project (PRABAL) have been implemented throughout the organization.

The "Premium Transmission Private Limited Code of Conduct" and "BIGUL" have been critical in driving and promoting the Company's principles and ethics. The Company will continue to focus on these areas to reach a market-leading ethical and value-driven position.

INDUSTRIAL RELATIONS

During the year under review, industrial relations in the Company continued to be cordial and peaceful across all our manufacturing units by running various engagement activities with employees.

ACKNOWLEDGEMENT

The Directors wish to convey their gratitude to the Financial Institutions, Bankers, Customers, Suppliers Central and State Governments and other Government authorities and Collaborators for their assistance and confidence in the Company.

The Board of Directors thanks the shareholders for their continued support. They would like to show their appreciation for the dedicated services rendered by the employees at all levels on record.

For and on behalf of the Board of Directors

Karan Thapar
Chairman



Premium Transmission Private Limited
(Corporate & Head Office)

Registered Office: Premium House, Old Mumbai-Pune Road,
Chinchwad, Pune - 411019, India. | Contact: +91-20-66314155
info@premium-transmission.com | CIN: U01119PN1983PTC133199

ANNEXURE - A**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures**Part A**

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

1. Number of Subsidiary	1
2. Name of the subsidiary	Premium Stephan GmbH
3. The date since when subsidiary was acquired	07 th June 2011
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01 st April 2022 to 31 st March 2023
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting Currency - Euro Exchange Rate - 1 EUR For P&L items: Average Rate: 83.9864 For Balance sheet item: Closing Rate:89.6076
6. Share capital	22,40,190
7. Reserves and surplus	(55,09,54,063)
8. Total assets	22,54,51,653
9. Total Liabilities	77,41,65,526
10. Investments	Nil
11. Turnover	52,95,62,310
12. Profit/(Loss) before taxation	(33,22,29,598)
13. Provision for taxation	Nil
14. Profit after taxation	(33,22,29,598)
15. Proposed Dividend	Nil
16. Extent of shareholding (in percentage)	100%

1. Number of Subsidiary	2
2. Name of the subsidiary	Premium Motion Private Limited
3. The date since when subsidiary was acquired	28 th January 2021
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01 st April 2022 to 31 st March 2023
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Reporting Currency - Rupees (INR)
6. Share capital	2,00,00,000
7. Reserves and surplus	(6,60,98,219)
8. Total assets	13,21,18,287
9. Total Liabilities	17,82,24,894
10. Investments	Nil
11. Turnover	17,21,62,860
12. Profit/(Loss) before taxation	(4,71,18,782)
13. Provision for taxation	Nil
14. Profit after taxation	(4,71,18,782)
15. Proposed Dividend	Nil
16. Extent of shareholding (in percentage)	99.99%

CSR REPORT FOR F.Y. 2022-23

1. Brief outline on CSR Policy of the Company.

The Committee has approved a Corporate Social Responsibility policy and the major guiding principle to attain the CSR objectives in a professional and integrated manner, are as under:

- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling Infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.

The CSR projects are headed by the Managing Director of the Company and the progress in implementation of the projects are presented before the CSR Committee and the Board from time to time.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Raja Venkataraman	Chairman	4	4
2.	Mr. Firdose Vandrevale	Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
- The CSR Policy is displayed on the Company's website www.premium-transmission.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
- N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	NA	NA	NA

6. Average net profit of the company as per section 135(5) : **Rs. 407,983,922.30 /-**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 8,159,678.45/-**
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years : **41,17,725/-**
 (c) Amount required to be set off for the financial year: **NA**
 Total CSR obligation for the financial year (7a+7b-7c): **Rs. 1,22,77,403.45/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,27,80,777.66	-	-	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)(in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
TOTAL												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
1.	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune & Aurangabad	5,951,813	No	Symbiosis Open Education Society through Symbiosis Skills and Professional University	CSR00007546
2	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune & Aurangabad	1,987,474	Yes	NA	NA
3	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune & Aurangabad	50,000	Yes	NA	NA
4	Skill	Item No.	Yes	Maharashtra	Pune &	23,587.20	Yes	NA	NA

	development Program	(ii) of Schedule VII			Aurangabad				
5	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune & Aurangabad	17,472	Yes	NA	NA
6	Skill development Program	Item No. (ii) of Schedule VII	Yes	Maharashtra	Pune & Aurangabad	24,098	Yes	NA	NA
	TOTAL					8,054,444.20			

(d) Amount spent in Administrative Overheads: **Rs. 6,08,608.46/-**

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = **Rs. 1,27,80,777.66/-**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	81,59,678.45/-
(ii)	Total amount spent for the Financial Year	84,57,166.41/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,97,487.96/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	43,23,611.25/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5,03,374.21/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	2020-21	41,07,236	41,07,236	Unspent CSR account-PTPL	41,07,236	30-04-2021	N.A.
2	2021-22	41,17,725	41,17,725	Unspent CSR account-PTPL	41,17,725	30-04-2022	N.A.

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.

1	CSR0000 7546	Symbiosis Open Education Society through Symbiosis Skills and Profession al University	2020-21	4 years	95,75,000	33,17,436	60,80,570	Ongoing
2	CSR0001 1022	Maha Cluster Council Institute Pune	2020-21	2 years	49,52,227	5,53,669	32,19,515	Completed
3	CSR0000 3752	Social Action for Manpowe r Creation -SAMPARK	2021-22	2 years	11,67,725	2,46,620	2,46,620	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **NA**
(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : N.A.

For Premium Transmission Private Limited

SD/-

Neeraj Bisaria
Managing Director and CEO

SD/-

Raja Venkatraman
Chairman CSR Committee

SD/-

Kaustubh Roplekar
CFO & Head-IT

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	or N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. Details of contracts or arrangements or transactions at Arm's length basis.

a)	Name (s) of the related party & nature of relationship: Greaves Cotton Limited
b)	Nature of contracts/arrangements/transaction: Service Charges, Rent & Purchase of Goods
c)	Duration of the contracts/arrangements/transaction: 1st April, 2022 to 31st March, 2023.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any: The above transaction is in the ordinary course of business and is at an arm's length basis.
e)	Date of approval by the Board: 09th August, 2022 and 10th May, 2023.
f)	Amount paid as advances, if any: NIL

- a) Name (s) of the related party & nature of relationship:
DBH Consulting Limited
- b) Nature of contracts/arrangements/transaction:
Consultancy Charges
- c) Duration of the contracts/arrangements/transaction:
1st April, 2022 to 31st March, 2023.
- d) Salient terms of the contracts or arrangements or transaction including the value, if any:
The above transaction is in the ordinary course of business and is at an arm's length basis.
- e) Date of approval by the Board:
09th August, 2022, 10th February, 2023 and 10th May, 2023.
- f) Amount paid as advances, if any:
NIL

- a) Name (s) of the related party & nature of relationship:
Premium Motion Pvt. Ltd.
- b) Nature of contracts/arrangements/transaction:
Service Charges, Leasing of Property & Availing/Rendering of any Services.
- c) Duration of the contracts/arrangements/transaction:
01st April, 2022 to 31st March, 2023.
- d) Salient terms of the contracts or arrangements or transaction including the value, if any:
The above transaction is in the ordinary course of business and is at an arm's length basis.
- e) Date of approval by the Board:
09th August, 2022, 16th November, 2022, 10th February, 2023 and 10th May, 2023.
- f) Amount paid as advances, if any:
NIL

- a) Name (s) of the related party & nature of relationship:
Premium Stephan GmbH
- b) Nature of contracts/arrangements/transaction:
Service Charges, Purchase or supply of any goods & Availing/Rendering of any Services.
- c) Duration of the contracts/arrangements/transaction:
01st April, 2022 to 31st March, 2023.
- d) Salient terms of the contracts or arrangements or transaction including the value, if any:
The above transaction is in the ordinary course of business and is at an arm's length basis.
- e) Date of approval by the Board:
09th August, 2022, 16th November, 2022, 10th February, 2023 and 10th May, 2023.
- f) Amount paid as advances, if any:
NIL

Annexure- D**Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration) Rules, 2014**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U01119PN1983PTC133199
ii.	Registration Date	26 th April, 1983
iii.	Name of the Company	Premium Transmission Private Limited
iv.	Category/Sub-Category of the Company	Private Limited
v.	Address of the Registered office and contact details	Premium House, Mumbai Pune Road, Chinchwad, Pune Phone: 020 66314100. Fax:(91-20)27450287 www.premium-transmission.com Email: info@premium-transmission.com
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Worm/Altra Gear	84834000	14.87 %
2	Helical Gear	84834000	37.71 %
3	Geared Motor	84834000	12.26 %

Grand Total (A+B+C)	-	2,25,00,000	2,25,00,000	100		2,25,00,000	2,25,00,000	100	
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ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In Shareholding During the year
		No. of Shares	% of total Shares of The company	% of Share S Pledge d / Encumbered	No. of Shares	% of Total Shares of The company	% of Shares Pledged / Encumbered to total Shares	
1.	Karun Carpets Pvt Ltd	1,58,74,995	70.56	-	1,58,74,995	70.56	-	0%
2.	Karan Thapar	5	.00002	-	5	.0002	-	0%
	Total	1,58,75,000	70.56	-	1,58,75,000	70.56	-	0%

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,58,75,000	70.56	1,58,75,000	70.56%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No Change During the Year			
	At the End of the year	1,58,75,000	70.56	1,58,75,000	70.56%

iv. Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	Date	Reason	Increase / Decrease of No. of Shares	No. of Shares	% of total shares of the
1	DBH Mauritius Limited	66,25,000	29.44%	N.A.	N.A.	N.A.	66,25,000	29.44%

v. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	5	.00002	5	.00002
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	5	.00002	5	.00002

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs. Million)	Unsecured Loans (Rs. Million)	Deposits (Rs. Million)	Total Indebtedness (Rs. Million)
Indebtedness at the beginning of the financial year				
i) Principal Amount	161.57	NIL	NIL	161.57
ii) Interest due but not paid				
iii) Interest accrued but not due	0.30	NIL	NIL	0.30
Total (i+ii+iii)	161.87			161.87

Change in Indebtedness during the financial year				
Addition				
Reduction	138.28			138.28
Net Change	138.28			138.28
Indebtedness at the end				
i) Principal Amount	23.52	NIL	NIL	23.52
ii) Interest due but not paid				
iii) Interest accrued but not due	0.07	NIL	NIL	0.07
Total (i+ii+iii)	23.59	NIL	NIL	23.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs. in Million)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Mr. Neeraj Bisaria	2,61,27,768 5,11,418
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission -as % of profit -Others, specify...		Nil
5.	Others, please specify		Nil
6.	Total(A)		2,66,39,186
	Ceiling as per the Act		

B. Remuneration to other directors:

Sr. No.	Name of Director	Sitting fees (Rs. In Lacs)	Commission (In Rs. Lacs)	Total compensation (In Rs. Lacs)
1	Mr. Karan Thapar	2.60	29.20	31.80

2	Mr. Anjani Kumar*	Nil	5.11	5.11
3	Ms. Matangi Gowrishankar	3.00	7.30	10.30
4	Mr. Firdose Vandrevala	3.70	13.14	16.84
5	Mr. Raja Venkataraman	4.10	14.60	18.70
6	Mr. Jehangir Ardeshir	3.00	3.65	6.65
TOTAL		16.40	73.00	89.40

* Resigned w.e.f. 26th August, 2021.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD (Amount Rs.in Lacs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of Perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	N.A.	N.A.	N.A.
2.	Stock Option	Nil	N.A.	N.A.	N.A.
3.	Sweat Equity	Nil	N.A.	N.A.	N.A.
4.	Commission - as %of profit -others, specify...	Nil	N.A.	N.A.	N.A.
5.	Others, please specify	Nil	N.A.	N.A.	N.A.
6.	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees Imposed	Authority [RD/ NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Independent Auditors' Report

To the Members of Premium Transmission Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Premium Transmission Private Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and Notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. 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 "Auditors' responsibilities for the audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

5. 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the standalone financial statements

7. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 standalone financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph (b) above that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements.
 - ii. The Company was not required to recognise a provision as at March 31, 2023, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The company did not have any derivative contracts as at March 31, 2023.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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 (Refer Note 47 (a) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 47 (a) to the standalone financial statements); and
 - (c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.
 - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

Independent Auditors' Report
To the Members of Premium Transmission Private Limited
Report on audit of the Standalone Financial Statements
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- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
12. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN:
Place: Pune
Date: May 10, 2023

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (g) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements for the year ended March 31, 2023

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Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. 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 standalone financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (g) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements for the year ended March 31, 2023

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Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN:
Place: Pune
Date: May 10, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

Page 1 of 9

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
 - (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of 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), as disclosed in Note 4(a) to the standalone financial statements, are held in the name of the Company.
 - (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
 - (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
 - (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly statements with such banks, which are in agreement with the unaudited books of account as set out below. Also refer Note 47 (a) to the standalone financial statements.

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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Name of the Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly statement	Amount as per books of account	Difference
ICICI Bank	380,000,000	Inventory and trade receivables	June 30, 2022	2,170,700,000	2,170,700,000	-
Axis Bank Ltd	400,000,000	Inventory and trade receivables	June 30, 2022	2,170,700,000	2,170,700,000	-
State Bank of India	99,000,000	Inventory and trade receivables	June 30, 2022	2,170,700,000	2,170,700,000	-
Citi Bank NA	150,000,000	Inventory and trade receivables	June 30, 2022	2,170,700,000	2,170,700,000	-
HDFC Bank	100,000,000	Inventory and trade receivables	June 30, 2022	2,170,700,000	2,170,700,000	-
ICICI Bank	380,000,000	Inventory and trade receivables	Sept 30, 2022	2,222,400,000	2,222,400,000	-
Axis Bank Ltd	400,000,000	Inventory and trade receivables	Sept 30, 2022	2,222,400,000	2,222,400,000	-
State Bank of India	99,000,000	Inventory and trade receivables	Sept 30, 2022	2,222,400,000	2,222,400,000	-

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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Name of the Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly statement	Amount as per books of account	Difference
Citi Bank NA	150,000,000	Inventory and trade receivables	Sept 30, 2022	2,222,400,000	2,222,400,000	-
HDFC Bank	100,000,000	Inventory and trade receivables	Sept 30, 2022	2,222,400,000	2,222,400,000	-
ICICI Bank	380,000,000	Inventory and trade receivables	Dec 31, 2022	2,233,600,000	2,233,600,000	-
Axis Bank Ltd	400,000,000	Inventory and trade receivables	Dec 31, 2022	2,233,600,000	2,233,600,000	-
State Bank of India	99,000,000	Inventory and trade receivables	Dec 31, 2022	2,233,600,000	2,233,600,000	-
Citi Bank NA	150,000,000	Inventory and trade receivables	Dec 31, 2022	2,233,600,000	2,233,600,000	-
HDFC Bank	100,000,000	Inventory and trade receivables	Dec 31, 2022	2,233,600,000	2,233,600,000	-
ICICI Bank	380,000,000	Inventory and trade receivables	March 31, 2023	2,367,900,000	2,367,900,000	-

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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Name of the Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly statement	Amount as per books of account	Difference
Axis Bank Ltd	400,000,000	Inventory and trade receivables	March 31, 2023	2,367,900,000	2,367,900,000	-
State Bank of India	99,000,000	Inventory and trade receivables	March 31, 2023	2,367,900,000	2,367,900,000	-
Citi Bank NA	150,000,000	Inventory and trade receivables	March 31, 2023	2,367,900,000	2,367,900,000	-
HDFC Bank	100,000,000	Inventory and trade receivables	March 31, 2023	2,367,900,000	2,367,900,000	-

- iii. (a) The Company has granted unsecured loans to a company and stood guarantee to a company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries are as per the table given below:

Particulars	Guarantees (Amount in Rs.)	Loans (Amount in Rs.)
Aggregate amount granted/ provided during the year - Subsidiaries	-	313,500,000
Balance outstanding as a balance sheet date in respect of the above case - Subsidiaries	-	126,500,000

(Also refer Note 41 to the standalone financial statements)

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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- (b) In respect of the aforesaid guarantees and loans, the terms and conditions under which such loans were granted and guarantees provided are not prejudicial to the Company's interest.
 - (c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
 - (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
 - (f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax, provident fund, labour welfare fund and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, duty of customs, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, duty of customs, profession tax, labour welfare fund which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax, 2003	Tax and Interest	431,612*	2012-13	W.B COMMERCIAL TAX APPELLATE & REVISIONAL BOARD.
The Central Sales Tax Act, 1956	Tax and Interest	1,451,062*	2012-13	W.B COMMERCIAL TAX APPELLATE & REVISIONAL BOARD.
The Central Sales Tax Act, 1956	Tax and Interest	186,608	2017-18	West Bengal Commercial Tax Officer.
The Central Sales Tax Act, 1956	Tax and Interest	34,249,100*	2015-16	Maharashtra Deputy Commissioner of State Tax
The Central Sales Tax Act, 1956	Tax and Interest	420,493	2016-17	Maharashtra Deputy Commissioner of State Tax
The Goods & Service Tax Act, 2017	Tax and Interest	8,627,863	2017-18	Maharashtra Dy. Commissioner of State Tax
The Finance Act, 1994	Tax and Penalty	1,139,287	2014-15 and 2015-16	The Assistant Commissioner Of Central Excise
The Finance Act, 1994	Tax and Penalty	1,087,024	2010-11	Additional Commissioner - III (Appeal)
The Central Excise Act, 1944	Tax and Penalty	31,812,605*	2000-01 and 2013-14	Central Excise & Service Tax Appellate Tribunal (CESTAT)
Income Tax Act, 1961	Tax, Interest and penalty	1,228,158*	AY 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax, Interest and penalty	21,615,573	AY 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax, Interest and penalty	2,003,975*	AY 2018-19	Commissioner of Income Tax (Appeals)

* These amounts are net of amounts paid under protest of Rs. 6,625,014

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 47 (a) to the financial statements)
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under 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. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
 - (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

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- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 47 (a) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx.(a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number 127791
UDIN:
Place: Pune
Date: May 10, 2023

Premium Transmission Private Limited
Standalone Balance Sheet
(All amounts are in Rupees millions, unless stated otherwise)

Particular	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current Assets			
Property, plant and equipment	4 (a)	1,076.39	1,012.60
Right-of-use assets	4 (b)	65.41	75.57
Capital work-in-progress	4 (a)	12.44	4.75
Intangible assets	4 (c)	43.80	67.20
Financial assets			
(a) Investments	5	20.00	20.00
(b) Loans	12	126.50	-
(c) Other financial assets	6	25.79	20.34
Income tax assets (net)	7	182.53	32.73
Deferred tax Assets (net)	20	56.59	14.70
Other non-current assets	8	66.88	55.12
Total non-current assets		1,676.33	1,303.01
Current assets			
Inventories	9	954.79	902.78
Financial assets			
(a) Trade receivables	10	1,414.85	1,365.99
(b) Cash and cash equivalents	11	92.49	211.42
(c) Loans	12	-	55.75
(d) Other financial assets	13	1.53	4.69
Other current assets	14	81.34	31.71
Total current assets		2,545.00	2,572.34
Total Assets		4,221.33	3,875.35
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	225.00	225.00
Other equity			
Reserves and surplus	16	2,666.31	2,220.54
Total equity		2,891.31	2,445.54
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	17	-	22.23
(b) Lease liabilities	4 (b)	14.42	19.26
(c) Other financial liabilities	18	79.69	66.68
Provisions	19	56.92	7.31
Total non-current liabilities		151.03	115.48
Current liabilities			
Financial liabilities			
(a) Borrowings	21	23.52	139.35
(b) Lease liabilities	4 (b)	4.83	10.64
(c) Trade payables	22	-	-
- Total outstanding dues of micro enterprises and small enterprises		265.12	270.94
- Total outstanding dues of creditors other than micro enterprises and small enterprises		476.19	477.90
(d) Other financial liabilities	23	131.51	96.88
Provisions	24	20.87	14.61
Employee benefit obligations	25	71.91	71.08
Current tax liabilities	7	-	26.70
Other current liabilities	26	185.04	206.23
Total current liabilities		1,178.99	1,314.33
Total Liabilities		1,330.02	1,429.81
Total equity and liabilities		4,221.33	3,875.35

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes.
This is the Standalone Balance Sheet referred in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/NS00016

**For and on behalf of the Board of Directors of
Premium Transmission Private Limited**

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary-Legal

Place:
Date: May 10, 2023

Place :
Date: May 10, 2023

Premium Transmission Private Limited
Standalone Statement of Profit and Loss
(All amounts in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	27	6,279.46	5,061.14
Other income	28	31.91	24.50
Total income		6,311.37	5,085.64
Expenses			
Cost of materials consumed	29	2,943.61	2,654.98
Changes in inventories of work-in-progress and finished goods	30	(1.95)	(75.33)
Employee benefits expense	31	665.76	661.05
Depreciation and amortisation expense	32	183.76	192.78
Other expenses	33	1,125.97	901.54
Finance costs	34	12.42	31.27
Total expenses		4,929.57	4,366.29
Profit before exceptional items and tax		1,381.80	719.35
Exceptional item	45	517.66	164.59
Profit before tax		864.14	554.76
Income tax expense	35		
- Current tax		223.20	202.99
- Prior year tax adjustment		(20.51)	28.63
- Deferred tax		(42.18)	(14.71)
Total tax expense		160.51	216.91
Profit for the year		703.63	337.85
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post employment benefit obligations		1.19	(13.24)
Income-tax relating to the above		(0.30)	3.33
Other comprehensive income for the year, net of tax		0.89	(9.91)
Total comprehensive income for the year		704.52	327.94
Earnings per equity share:			
Basic and Diluted	44	31.27	15.02

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Profit and Loss referred in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of
Premium Transmission Private Limited

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary -Legal

Place:
Date: May 10, 2023

Place :
Date: May 10, 2023

Premium Transmission Private Limited
Standalone Statement of Changes in Equity
(All amounts are in Rupees millions, unless stated otherwise)

A. Equity share capital

Particular	Notes	Amount
As at 31 March 2021	15	225.00
Changes in equity share capital		-
As at 31 March 2022	15	225.00
Changes in equity share capital		-
As at 31 March 2023	15	225.00

B. Other equity

Particular	Notes	Reserves and Surplus			Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	
Balance as at 1 April 2021	16	992.40	695.38	373.57	2,061.35
Profit for the year		337.85	-	-	337.85
Other comprehensive income		(9.91)	-	-	(9.91)
Total Comprehensive Income for the year		327.94	-	-	327.94
Transactions with owners in their capacity as owners:					
Dividends paid	39(b)	(168.75)	-	-	(168.75)
As at 31 March 2022		1,151.59	695.38	373.57	2,220.54

Particular	Notes	Reserves and Surplus			Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	
Balance as at 1 April 2022	16	1,151.59	695.38	373.57	2,220.54
Profit for the year		703.63	-	-	703.63
Other comprehensive income		0.89	-	-	0.89
Total Comprehensive Income for the year		704.52	-	-	704.52
Transactions with owners in their capacity as owners:					
Dividends paid	39(b)	(258.75)	-	-	(258.75)
As at 31 March 2023		1,597.36	695.38	373.57	2,666.31

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Changes in Equity referred in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium
Transmission Private Limited**

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary-Legal

Place:
Date: May 10, 2023

Place :
Date: May 10, 2023

Premium Transmission Private Limited
Standalone Statement of Cash Flows
(All amounts are in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities			
Profit before income tax		864.14	554.76
Adjustments for :			
Depreciation and amortisation expense	32	183.76	192.78
Write off of inter corporate deposit given to subsidiary	45	150.00	-
Payment against corporate guarantee classified as investing activities	45	259.98	-
Impairment of investment in subsidiary	45	-	164.59
Gain on disposal of property, plant and equipment	28	(2.75)	-
Interest income from financial assets at amortised cost	28	(13.26)	(7.69)
Provision for doubtful debts	33 & 45	114.19	10.22
Finance costs	34	12.42	31.27
Net exchange differences		0.91	1.51
Changes in operating assets and liabilities :			
Increase in trade receivables	10	(164.82)	(243.54)
Increase in inventories	9	(52.01)	(214.78)
(Decrease)/increase in trade payables	22	(10.88)	63.92
Increase in other financial assets	13	(2.29)	(4.56)
Increase in other financial liabilities	18	26.19	23.95
(Increase)/decrease in other assets	8 & 14	(43.71)	48.88
Increase in provisions	19 & 24	55.87	1.49
Increase in employee benefit obligations	25	2.03	6.51
(Decrease)/increase in current liabilities	26	(21.19)	186.89
Cash generated from operations		1,358.58	816.18
Income taxes paid (net of refund)		(379.19)	(179.84)
Net cash inflow from operating activities		979.39	636.34
Cash flows from investing activities :			
Payment against corporate guarantee given to subsidiary	45	(259.98)	-
Receipt of inter corporate deposit given to subsidiary		-	47.86
Payments for property, plant and equipment	4 (a)	(212.53)	(61.34)
Payments for intangible assets	4 (c)	(5.54)	(14.73)
Proceeds from sale of property, plant and equipment	4 (a)	3.13	0.55
Loans to related party	12	(220.75)	(44.01)
Interest received on deposits	28	13.26	7.69
Net cash outflow from investing activities		(682.41)	(63.98)
Cash flow from financing activities :			
Repayment of long-term borrowings (net)	17	(22.23)	(89.85)
Principal elements of lease payments		(10.65)	(9.24)
Repayment of short-term borrowings (net)	21	(115.83)	(182.48)
Interest paid		(7.18)	(26.90)
Other finance cost paid	34	(1.27)	(2.41)
Dividends paid to company's shareholders	39	(258.75)	(168.75)
Net cash outflow from financing activities		(415.91)	(479.63)
Net increase/ (decrease) in cash and cash equivalents		(118.93)	92.73
Cash and cash equivalents at the beginning of the financial year	11	211.42	118.69
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year	11	92.49	211.42
Non-cash investing activities			
- Acquisition of right-of-use assets		-	0.95
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	11	92.49	211.42
Balance as per statement of cash flows		92.49	211.42

The above Standalone Statement of Cash Flows should be read in conjunction with the accompanying notes.
This is the standalone Statement of Cash Flows referred in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of
Premium Transmission Private Limited

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary-
Legal

Place:
Date: May 10, 2023

Place :
Date: May 10, 2023

Premium Transmission Private Limited
Notes to standalone financial statements
(All amounts are in Rupees millions, unless stated otherwise)

4 (a) Property, plant and equipment

Particular	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
Year ended 31 March 2022									
Gross carrying amount									
Opening gross carrying amount	275.72	290.05	773.24	19.08	11.44	14.98	8.19	1,392.70	16.94
Additions	-	2.46	49.92	1.91	-	16.47	1.08	71.84	74.38
Disposals	-	-	-	-	(1.11)	(0.47)	-	(1.58)	-
Transfer	-	-	-	-	-	-	-	-	(86.57)
Closing gross carrying amount	275.72	292.51	823.16	20.99	10.33	30.98	9.27	1,462.96	4.75
Accumulated Depreciation									
Opening accumulated depreciation	-	28.76	243.05	6.79	5.53	9.99	3.99	298.11	-
Charge for the year	-	14.83	126.46	3.10	3.15	4.40	1.34	153.28	-
Disposals	-	-	-	-	(0.56)	(0.47)	-	(1.03)	-
Transfer	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	43.59	369.51	9.89	8.12	13.92	5.33	450.36	-
Closing net carrying amount	275.72	248.92	453.65	11.10	2.21	17.06	3.94	1,012.60	4.75

Particular	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
Year ended 31 March 2023									
Gross carrying amount									
Opening gross carrying amount	275.72	292.51	823.16	20.99	10.33	30.98	9.27	1,462.96	4.76
Additions	-	3.56	157.31	1.37	20.42	25.86	0.32	208.84	222.06
Disposals	-	-	(15.03)	(0.46)	(10.28)	(6.89)	(0.48)	(33.14)	-
Transfer	-	-	-	-	-	-	-	-	(214.38)
Closing gross carrying amount	275.72	296.07	965.44	21.90	20.47	49.95	9.11	1,638.66	12.44
Accumulated Depreciation									
Opening accumulated depreciation	-	43.59	369.51	9.89	8.12	13.92	5.33	450.36	-
Charge for the year	-	14.94	114.81	2.95	3.48	7.10	1.39	144.67	-
Disposals	-	-	(14.65)	(0.46)	(10.28)	(6.89)	(0.48)	(32.76)	-
Transfer	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	58.53	469.67	12.38	1.32	14.13	6.24	562.27	-
Closing net carrying amount	275.72	237.54	495.77	9.52	19.15	35.82	2.87	1,076.39	12.44

Contractual obligations

Refer note 43 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
The Company has pledged all Plant and machineries funded out of the Foreign currency term loan (Refer note 46)

Ageing of Capital work in progress

Particulars	For the year ended 31 March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.76	-	-	-	4.76
Projects temporarily suspended	-	-	-	-	-
Total	4.76	-	-	-	4.76

Note : There are no assets which are overdue for completion or has exceeded its cost compared to its original plan.

Ageing of Capital work in progress

Particulars	For the year ended 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	10.90	1.54	-	-	12.44
Projects temporarily suspended	-	-	-	-	-
Total	10.90	1.54	-	-	12.44

Note : There are no assets which are overdue for completion or has exceeded its cost compared to its original plan.
Capital Work in Progress mainly consist of HMC Machine fixtures and Air compressor

Premium Transmission Private Limited**Notes to standalone financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

4 (b) Leases:

This note provides information for leases where the Company is a lessee. The Company leases various offices, furniture, residential premises and land. Rental contracts are typically made for fixed periods of 1-9 years, but may have extension and/or termination options as described in (iii).

(i) Amounts recognised in Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2023	As at 31 March 2022
Right-of-use assets:		
Land	51.12	56.00
Office Premises	13.63	18.46
Residential Premises	0.56	0.88
Furnitures and Fixtures	0.10	0.23
	65.41	75.57

Particulars	As at 31 March 2023	As at 31 March 2022
Lease Liabilities:		
Current	4.83	10.64
Non-current	14.42	19.26
	19.25	29.90

Additions to right-of-use assets during the year ended 31 March 2023 is Nil (31 March 2022: INR 0.95 million)

(ii) Amounts recognized in the Statement of Profit and Loss

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation charge of right-of-use assets			
- Land	32	4.88	5.26
- Office Premises		4.84	4.84
- Residential Premises		0.32	0.05
- Furnitures and Fixtures		0.13	0.13
Total		10.17	10.28

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense (included in finance costs)	34	2.28	3.18
Expense relating to short-term leases (included in other expenses)	33	0.39	0.30

The total cash outflow for leases for the year ended 31 March 2023 was INR 12.93 million (31 March 2022 INR 12.42 million)

(iii) Extension and termination options

Termination options are included in a number of leases with respect to leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. No extension options have been exercised.

Premium Transmission Private Limited**Notes to standalone financial statements**

(All amounts are in Rupees millions, unless stated otherwise)

4 (c) Intangible assets

Particulars	Software	Technical Know-how	Brand-Stephan	Total
<u>Year ended 31 March 2022</u>				
Gross carrying amount				
Opening gross carrying amount	11.60	10.24	115.11	136.95
Additions	14.73	-	-	14.73
Closing Gross carrying amount	26.33	10.24	115.11	151.68
Accumulated amortisation				
Opening accumulated amortisation	4.92	4.14	46.20	55.26
Charge for the year	4.09	2.04	23.09	29.22
Closing accumulated amortization	9.01	6.18	69.29	84.48
Closing net carrying amount	17.32	4.06	45.82	67.20

Particulars	Software	Technical Know-how	Brand-Stephan	Total
<u>Year ended 31 March 2023</u>				
Gross carrying amount				
Opening gross carrying amount	26.33	10.24	115.11	151.68
Additions	5.54	-	-	5.54
Closing Gross carrying amount	31.87	10.24	115.11	157.22
Accumulated amortisation				
Opening accumulated amortisation	9.01	6.18	69.29	84.48
Charge for the year	5.72	1.89	21.32	28.93
Closing accumulated amortization	14.73	8.07	90.61	113.42
Closing net carrying amount	17.14	2.17	24.50	43.80

5 Non-current Investments

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in Equity instruments in :		
Wholly owned subsidiaries (fully paid up)		
Unquoted:		
25,000 (31 March 2022 - 25,000; fully paid-up equity shares of Premium Stephan GmbH	164.59	164.59
Less : Investment written off (<i>refer note 45</i>) [31 March 2022: Provision for impairment of the value of investment]	(164.59)	(164.59)
19,99,900 (31 March 2022 - 19,99,900; fully paid-up equity shares of Premium Motion Private Limited	20.00	20.00
Total	20.00	20.00
Aggregate amount of unquoted investments	184.59	184.59
Aggregate amount of impairment in the value of investments	-	164.59

6 Other non current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	25.79	20.34
Total	25.79	20.34

Break up of security details

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit considered good - Secured	-	-
Security deposit considered good - Unsecured	25.79	20.34
Security deposit which have significant increase in credit risk	-	-
Security deposit - credit impaired	-	-
Total:	25.79	20.34
Less: Loss allowance	-	-
Total	25.79	20.34

7 Income tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance		
- Current tax assets	32.73	64.28
- Current tax assets liabilities	(26.70)	(6.47)
Less: Current tax payable for the year	(223.20)	(202.99)
Less: Taxes relating to earlier years	20.51	(28.63)
Add: Taxes paid (net of refund)	379.19	179.84
Closing balance	182.53	6.03
Presented as :		
Income tax assets (net)	182.53	32.73
Current tax liabilities	-	26.70

8 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	20.81	3.13
Balances with government authorities	46.07	51.99
Total	66.88	55.12

9 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	487.95	446.64
Work-in-progress	285.56	274.40
Finished goods	112.18	121.39
Stores and spares	69.10	60.35
Total	954.79	902.78

The above inventories includes goods-in-transit as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	-	5.67
Finished goods	-	16.20
	-	21.87

Amounts recognised in profit or loss:

During the year, the amount of INR (27.81) (net of reversals) (31 March 2022 INR 11.03) were charged/(credited) to Statement of Profit and Loss on account of inventory write down/(True up). These were recognised as an expense during the year and included in 'changes in values of inventories of work-in-progress and finished goods' in Statement of Profit and Loss.

10 Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Trade receivables from contracts with customers	1,474.89	1,322.99
Trade receivables contracts with customers - related parties (Refer note 41)	109.13	106.25
Less: Loss allowance	(169.17)	(63.25)
Total	1,414.85	1,365.99
Current portion	1,414.85	1,365.99
Non Current portion	-	-

Break-up of security details

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,476.34	1,429.24
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	107.68	-
Total	1,584.02	1,429.24
Less: loss allowance	(169.17)	(63.25)
Total	1,414.85	1,365.99

Trade Receivables ageing

Particulars	For the year ended 31 March 2023					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,379.89	21.94	6.86	1.25	4.91	1,414.85
(ii) Undisputed Trade Receivables - considered doubtful	-	-	3.08	1.89	10.07	15.04
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	16.98	4.11	25.36	46.45
(v) Credit impaired	100.86	5.10	1.72	-	-	107.68
Less: Loss allowance	(100.86)	(5.10)	(21.78)	(6.00)	(35.43)	(169.17)
Total	1,379.89	21.94	6.86	1.25	4.91	1,414.85

Particulars	For the year ended 31 March 2022					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,223.12	118.85	-	15.47	8.55	1,365.99
(ii) Undisputed Trade Receivables - considered doubtful	-	-	3.76	12.94	12.51	29.21
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	6.44	0.94	-	26.66	-	34.04
(v) Credit impaired	-	-	-	-	-	-
Less: Loss allowance	(6.44)	(0.94)	(3.76)	(39.60)	(12.51)	(63.25)
Total	1,223.12	118.85	-	15.47	8.55	1,365.99

11 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	78.64	205.53
- in EEFC accounts	13.76	5.83
Cash on hand	0.09	0.06
Total	92.49	211.42

12 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Loan to related party (Refer note 41)	276.50	55.75
Less: Written off (Refer note 45)	(150.00)	-
Total	126.50	55.75
Current portion*	-	55.75
Non current portion**	126.50	-

Note : Loan to related party includes advance given to vendor on behalf of Premium Motion Private Limited of INR Nil (31 March 2022 INR 5.75)

* Inter Corporate Deposit to related party are repayable within 1 year from 2 July 2021 and carry interest rate of 9.25% p.a. till 31 December 2021 and 7.25% p.a. from 1 January 2022.

** Inter Corporate Deposit to related party are repayable within 3 years and carry interest rate of 7.25% p.a.

Break up of security details

Particulars	As at 31 March 2023	As at 31 March 2022
Loans considered good - Secured	-	-
Loans considered good - Unsecured	126.50	55.75
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	150.00	-
Total:	276.50	55.75
Less: Written off (Refer note 45)	(150.00)	-
Total	126.50	55.75

Note: Loan to subsidiary is repayable within 3 years and is not payable on demand, carries interest rate of 7.25%

Premium Transmission Private Limited

Notes to standalone financial statements

(All amounts are in Rupees millions, unless stated otherwise)

13 Other current financial assets

Particulars	As at	As at
	31 March 2023	31 March 2022
Others*	1.53	4.69
Total	1.53	4.69

* Others pertain to miscellaneous advances given.

14 Other current assets

Particulars	As at	As at
	31 March 2023	31 March 2022
Prepayments	27.48	19.31
Balances with government authorities	23.83	6.14
Advances to vendors	28.77	5.19
Others	1.26	1.07
Total	81.34	31.71

Others includes excess spend on Corporate Social Responsibilities activities and advances to employees

15 Share capital

Authorised share capital		
Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2021	26,000,000	260.00
Increase during the year	-	-
As at 31 March 2022	26,000,000	260.00
Increase during the year	-	-
As at 31 March 2023	26,000,000	260.00

Particulars	Preference share capital	
	Number of shares	Amount
As at 31 March 2021	3,450,000	34.50
Increase during the year	-	-
As at 31 March 2022	3,450,000	34.50
Increase during the year	-	-
As at 31 March 2023	3,450,000	34.50

(a) Movements in equity share capital (issued, subscribed and paid-up)

Particulars	Number of shares	Amount
As at 31 March 2021	22,500,000	225.00
Change during the year	-	-
As at 31 March 2022	22,500,000	225.00
Change during the year	-	-
As at 31 March 2023	22,500,000	225.00

Includes five shares held as a nominee shareholder as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Mr. Karan Thapar	5	5

Terms/ rights attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Shares of the company held by ultimate holding company and subsidiary of ultimate holding company

Particulars	As at 31 March 2023	As at 31 March 2022
Karun Carpets Private Limited	15.87	15.87
DBH Mauritius Limited (Entity controlled by ultimate controlling party)	6.63	6.63

(c) Shares held by holding company and details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2023	
	Number of shares (in million)	% of holding
Karun Carpets Private Limited	15.87	70.56
DBH Mauritius Limited	6.63	29.44

Particulars	As at 31 March 2022	
	Number of shares (in million)	% of holding
Karun Carpets Private Limited	15.87	70.56
DBH Mauritius Limited	6.63	29.44

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(All amounts are in Rupees millions, unless stated otherwise)

(d) Aggregate number of shares issued for consideration other than cash

The Company has not allotted any shares without payment being received in cash during current year and 5 years immediately preceding the year ended 31 March 2023.

(e) Detail of shareholding of promoters :

Name of promoter	For the year ended 31 March 2023	
	No. of Shares	% of total Shares of the company
Karun Carpets Private Limited	15,874,995	70.5600%
Mr. Karan Thapar	5	0.0002%
Total	15,875,000	70.5602%

Name of promoter	For the year ended 31 March 2022	
	No. of Shares	% of total Shares of the company
Karun Carpets Private Limited	15,874,995	70.5600%
Mr. Karan Thapar	5	0.0002%
Total	15,875,000	70.5602%

16 Reserves and Surplus

Particulars	As at 31 March 2023	As at 31 March 2022
General Reserve (a)	695.38	695.38
Capital redemption reserve (b)	373.57	373.57
Retained earnings (c)	1,597.36	1,151.59
Total	2,666.31	2,220.54

(a) General reserve:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning and end of the year	695.38	695.38

(b) Capital redemption reserve:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning and end of the year	373.57	373.57

(c) Retained earnings:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	1,151.59	992.40
Net Profit for the year	703.63	337.85
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post employment benefit obligations, net of tax	0.89	(9.91)
<i>Dividends paid [Refer note 39 (b)]</i>	(258.75)	(168.75)
Closing balance	1,597.36	1,151.59

Nature and purpose of reserves:**i General reserve:**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

ii Capital redemption reserve:

The reserve was created in compliance to section 69 of The Companies Act, 2013. The Company was required to transfer a sum equal to the nominal value that is Rs 100 per share of the 5% non-cumulative redeemable preference shares which were redeemed during the year ended March 31, 2014.

17 Non-current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term loans		
From banks		
Foreign currency loan (EUR)*	23.59	111.42
Total non-current borrowings	23.59	111.42
Less: Current maturities of long-term debt (refer note 21)	23.52	88.89
Less: Interest accrued (refer note 23)	0.07	0.30
Total non-current borrowings (as per balance sheet)	-	22.23

*Term loan from bank has been secured by charge on plant and machinery funded out of the loan (Refer note 46)

Terms of repayment:

Repayable in 12 equal quarterly installment from July 23, 2020
Repayable in 12 equal quarterly installment from February 28, 2019

Interest rate:

1.50% p.a
2.00% p.a

18 Other non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Dealer deposits payable	51.79	51.68
Payables to employees	25.40	12.50
Security deposit from related party (refer note 41)	2.50	2.50
Total	79.69	66.68

19 Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Other provisions:		
Provision for warranty	10.43	7.31
Provision for contingencies	46.49	-
Total	56.92	7.31

Movement in Provision for Warranty

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the short term after the reporting date. Assumptions used to calculate the provision for warranties were based on sales levels and technical evaluation carried out by the Company based on current information available as regards claims, giving cognisance to the warranty period for certain products sold.

Particulars	As at 31 March 2023	As at 31 March 2022
Provision at beginning of the year	21.92	20.43
Add: Provision made during the year (net of reversals)	19.93	9.02
Less: Provision utilized	(10.55)	(7.53)
Provision at the end of the year	31.30	21.92
Non-current (included in note 19)	10.43	7.31
Current (included in note 24)	20.87	14.61

Movement in Provision for Contingencies

1. The Company has received an assessment order from Maharashtra Sales Tax authority (the "authority") for the financial year 2015-16 for non provision of C forms and H forms, on which the Company has claimed input tax credit. Total demand raised by the authorities is INR 38.27 million (including interest till the date of receipt of assessment order). The Company has deposited, under protest, an amount of INR 3.62 million and a provision for such estimated tax liability of INR 38.27 Millions has been recognized in the books. The Company has filed an appeal with authorities for the assessment order received. The appeal is pending with Maharashtra Deputy Commissioner of State Tax.

2. The Company has received a draft assessment order from Maharashtra Goods and Service Tax authority (the "authority") for the financial year 2017-18 for mismatch in GST as per GSTR 2A and PR-ITC, on which the Company has claimed input tax credit. Total demand raised by the authorities is INR 9.08 million (including interest till the date of receipt of assessment order). The Company has accepted and paid liability of Rs. 0.50 Million out of the total amount and for the rest amount provision has been recognised in the books for such estimated tax liability of INR 8.63 Millions. The final order is still awaited from the GST department.

Particulars	As at 31 March 2023	As at 31 March 2022
Provision at beginning of the year	-	-
Add: Provision made during the year	46.49	-
Less: Provision utilized	-	-
Provision at the end of the year	46.49	-
Non-current (included in note 19)	46.49	-
Current (included in note 24)	-	-

20 Deferred tax asset / (liabilities) (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities		
Property, plant and equipment and intangible assets	(13.68)	(25.16)
Right-of-use assets	(3.60)	(5.98)
Total Deferred Tax Liabilities	(17.28)	(31.14)
Deferred Tax Assets		
Provision for doubtful debts and advances	45.88	18.43
Expenses allowed on payment basis	23.14	19.89
Lease liabilities	4.85	7.52
Total Deferred Tax Assets	73.87	45.84
Total	56.59	14.70

Changes in Deferred Tax Assets / (Liabilities) credited/ (charged) to Statement of Profit and Loss during the year

Particulars	As at 31 March 2023	As at 31 March 2022
Statement of Profit and Loss		
Property, plant and equipment and intangible assets	11.49	14.55
Right-of-use assets	2.38	2.17
Provision for doubtful debts and advances	27.45	0.31
Expenses allowed on payment basis	3.55	(0.23)
Lease liabilities	(2.67)	(2.09)
Total credited/ (charged) to Statement of Profit and Loss	42.20	14.71
Other comprehensive income		
Remeasurement of defined benefit obligations	(0.30)	3.33
Total credited/ (charged) to other comprehensive income	(0.30)	3.33

21 Current borrowings*

Particulars	As at 31 March 2023	As at 31 March 2022
Loans repayable on demand		
Secured		
From banks		
Cash credit	-	0.46
Working capital demand loan	-	50.00
Current maturities of long term debt	23.52	88.89
Total current borrowings	23.52	139.35

* Working capital loans and cash credit from banks are secured by pari passu charge on current assets of the Company (Refer note 46).

* Quarterly statement of current assets have been duly filed by the company with banks that is in agreement with books of account.

Terms of repayment:

Secured loans for working capital requirements are repayable in 180 days from the date of drawdown and carry interest rate ranging between 6.50% - 9.30% p.a.

Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for the year ended.

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	92.49	211.42
Lease liabilities	(19.25)	(29.90)
Current borrowings	(23.52)	(139.35)
Non-current borrowings	-	(22.23)
Interest accrued	(0.07)	(0.30)
	49.65	19.64

Particulars	Cash and cash equivalents	Lease obligations	Borrowings	Total
Net debt as on 1 April 2021	244.30	(38.19)	(434.76)	(228.65)
Addition - leases	-	(0.95)	-	(0.95)
Cash flows	(32.88)	9.24	272.34	248.70
Interest paid	-	3.18	23.72	26.90
Interest expense	-	(3.18)	(23.18)	(26.36)
Net debt as on 31 March 2022	211.42	(29.90)	(161.88)	19.64

Particulars	Cash and cash equivalents	Lease obligations	Borrowings	Total
Net debt as on 1 April 2022	211.42	(29.90)	(161.88)	19.64
Addition - leases	-	-	-	-
Cash flows	(118.93)	10.65	138.06	29.79
Interest paid	-	2.28	4.90	7.18
Interest expense	-	(2.28)	(4.67)	(6.95)
Net debt as on 31 March 2023	92.49	(19.25)	(23.59)	49.65

22 Trade Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Payables		
(a) Micro and small enterprises	265.12	270.94
(b) Other than micro and small enterprises		
i) Related parties (Refer note 41)	15.19	13.56
ii) Others	461.00	464.34
Total	741.31	748.84

Trade Payables ageing

Particulars	For the year ended 31 March 2023						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	229.57	34.32	-	1.08	0.15	265.12
(ii) Others	79.54	312.85	69.99	13.37	0.08	0.36	476.19
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
Total	79.54	542.42	104.31	13.37	1.16	0.51	741.31

Premium Transmission Private Limited
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Trade Payables ageing

Particulars	For the year ended 31 March 2022							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	172.89	97.83	0.14	0.03	0.05	270.94	
(ii) Others	85.83	256.75	132.44	2.61	0.15	0.12	477.90	
(iii) Disputed dues- MSME	-	-	-	-	-	-	-	
(iv) Disputed dues- others	-	-	-	-	-	-	-	
Total	85.83	429.64	230.27	2.75	0.18	0.17	748.84	

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end	265.12	270.94
Interest due to suppliers registered under the MSMED Act, on the principal amount due as at the year end and remaining unpaid as at the year end	0.09	0.10
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,981.14	605.78
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	4.11	2.40
Further interest remaining due and payable for earlier years	3.18	0.67

23 Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payables to employees	96.96	84.58
Capital creditors - other than related party	31.40	8.72
Interest accrued	0.07	0.30
Others	3.08	3.28
Total	131.51	96.88

Others mainly pertain to security deposits due and insurance claim.

24 Current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Other Provisions		
Provision for warranty	20.87	14.61
Total	20.87	14.61

25 Employee Benefit obligations - Current

Particulars	As at 31 March 2023	As at 31 March 2022
Gratuity (<i>refer note 36</i>)	29.47	29.74
Leave obligations (<i>refer note 36</i>)	42.44	41.34
Total	71.91	71.08

26 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities - advance from customers	148.90	189.86
Statutory tax payables	36.14	16.37
Total	185.04	206.23

Premium Transmission Private Limited
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27 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers		
Sale of products	6,190.26	5,021.62
Sale of services	35.99	5.55
Other operating revenue		
Export incentives*	15.07	5.40
Sale of scrap	38.14	28.57
Total	6,279.46	5,061.14

* Export incentives include amounts received towards duty drawback on exports, RodTEP scheme and sales of scripts

Revenue from sale of products relates to sale of gear boxes and gear motors and from services comprise of contracts for maintenance of gear boxes.

There are no unsatisfied long term contracts.

Reconciliation of revenue recognised with contract price

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract Price	6,226.25	5,027.17
Adjustments for :		
Refund liabilities	-	-
Revenue from operations	6,226.25	5,027.17

28 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from financial assets at amortised cost	13.26	7.69
Net gain on disposal of property, plant and equipment	2.75	-
Net foreign exchange differences	1.21	-
Guarantee commission (Refer note 41)	1.07	0.93
Others*	13.62	15.88
Total	31.91	24.50

*Others include receipt towards interest, rent income and corporate allocation charge.

29 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials at the beginning of the year	446.64	318.34
Add : Purchases	2,984.92	2,783.28
Less : Raw material at the end of the year	487.95	446.64
Total cost of materials consumed	2,943.61	2,654.98

30 Changes in inventories of work-in-progress and finished goods

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
Finished goods	121.39	155.85
Work-in-progress	274.40	164.61
Total opening balance	395.79	320.46
Closing balance		
Finished goods	112.18	121.39
Work-in-progress	285.56	274.40
Total closing balance	397.74	395.79
Total changes in inventories of work-in-progress and finished goods	(1.95)	(75.33)

Premium Transmission Private Limited
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31 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	561.59	562.53
Contribution to provident and other funds (Refer note 36)	27.55	26.33
Gratuity (Refer note 36)	11.02	8.36
Leave compensation (Refer note 36)	10.08	14.59
Staff welfare expenses	55.52	49.24
Total	665.76	661.05

32 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	144.67	153.28
Depreciation of right-of-use assets	10.16	10.28
Amortisation of intangible assets	28.93	29.22
Total	183.76	192.78

33 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and consumables	111.65	98.47
Repairs and maintenance:		
- Buildings	2.76	3.05
- Machinery	44.54	39.65
- Others	15.71	14.30
Communication expense	4.93	3.74
Water and electricity charges	106.66	100.76
Rental charges	0.39	0.30
Rates and taxes	72.13	3.30
Legal and professional charges	43.22	45.22
Travel and conveyance expenses	42.29	20.49
Insurance	18.52	17.51
Printing and stationery	4.37	1.98
Warranty expenses	19.93	9.02
Provision for doubtful debts	6.51	10.22
Bad debts written off	8.22	11.81
Less : Withdrawn from provision	(8.22)	(11.81)
Brokerage and Commission	0.14	0.24
Freight outward	66.51	55.79
Advertising and sales promotion	29.46	3.78
Corporate allocation cost	-	5.66
Sub-contracting charges	236.83	202.98
Research and development	21.61	11.82
Contractual labour charges	187.30	156.34
Watch and Ward expenses	21.85	21.95
Director's sitting fees and commission	14.64	7.53
Electronic data processing Charges	22.17	31.59
Corporate Social Responsibility expenditure [Refer note 33(b)]	8.16	5.80
Payments to auditors [Refer note 33(a)]	4.24	4.21
Bank charges	3.24	4.56
Net foreign exchange differences	-	5.68
Miscellaneous expenses	16.21	15.60
Total	1125.97	901.54

33 (a) Details of payments to auditors

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
Statutory audit	2.38	2.38
Limited reviews	1.35	1.35
Certifications	0.08	0.08
Tax audit	0.38	0.38
Out of pocket expenses reimbursed	0.05	0.02
Total	4.24	4.21

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33 (b) Corporate social responsibility

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Accrual towards unspent obligations/(excess) in relation to:		
- Ongoing project	(0.50)	4.12
Total	(0.50)	4.12
Amount required to be spent as per Section 135 of the Act	8.16	5.80
Add: Accrual of previous year unspent amount	4.12	
Amount spent during the year:		
(i) Construction/acquisition of an asset		
(ii) On purpose other than (i) above	12.78	1.68
Amount of cumulative (excess)/ shortfall at the end of the year	(0.50)	4.12

Details of ongoing CSR projects under Section 135(6) of the Act:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance with the Company	4.12	4.11
Add: Amount required to be spent during the year	8.16	5.80
Less: Amount spent during the year - from the Company's bank account	12.78	5.79
Shortfall/(excess) with the Company*	(0.50)	4.12

* Excess spend on CSR project is shown under Other Current Assets

34 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest and finance charges on lease liability and financial liabilities not at fair value through profit and loss	11.15	28.86
Other borrowing costs*	1.27	2.41
Total	12.42	31.27

* Other borrowing costs includes bank guarantee.

35 Income tax expense

The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax expense		
Current income tax	223.20	202.99
Prior year tax adjustment	(20.51)	28.63
Deferred tax	(42.18)	(14.71)
Total	160.51	216.91

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax related to items recognised in OCI during the year	(0.30)	3.33
Income tax (charged) / credited to OCI	(0.30)	3.33

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before tax	864.14	554.76
Tax at substantively enacted income-tax rate of 25.17% (31 March 2022 - 25.17%)	217.49	139.62
Expenses not allowable for tax purposes	7.66	42.88
Disallowed in previous year allowed in Current year	(41.42)	-
Prior year tax adjustment	(20.51)	28.63
Others	(2.71)	5.78
Income tax expense	160.51	216.91

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36 Employee benefit obligations

Particulars	As at	As at
	31 March 2023	31 March 2022
Leave obligations (Refer Note A)	42.44	41.34
Current	42.44	41.34
Gratuity (Refer Note B)	29.47	29.74
Current	29.47	29.74

A Leave obligations

The leave obligations of the company covers sick leave and privilege leave. The significant assumptions were as follows-

The entire amount of the provision of INR 42.44 million (31 March 2022 – INR 41.34 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	As at	As at
	31 March 2023	31 March 2022
Leave obligations not expected to be settled within the next 12 months	33.77	32.74

The significant assumptions are as follows-

Particulars	As at	As at
	31 March 2023	31 March 2022
Discount rate	7.30%	6.60%
Salary growth rate	8.00%	8.00%
Attrition rate	16.00%	15.00%

Gratuity

- B** The Company has formed Premium Transmission Private Limited Employees Group Gratuity-Cum-Life Assurance scheme to manage the gratuity obligations. The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company - Life Insurance Corporation of India. Every permanent employee is entitled to a benefit equivalent to 15/26 days of the last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity as well as level of under funding of the plan.

I The amounts recognised in Stanalone Balance Sheet and movements in the net benefit obligation over the year are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2022	94.78	(65.04)	29.74
Current service cost	9.51	-	9.51
Transfer Out	(0.12)	-	(0.12)
Interest expense/(income)	5.80	(4.17)	1.63
Total amount recognised in Profit or Loss	15.19	(4.17)	11.02
Remeasurements			
- Gain from change in demographic assumptions	(2.11)	-	(2.11)
- Gain from change in financial assumptions	(1.42)	(0.13)	(1.55)
- Experience losses/(Gain)	2.75	(0.28)	2.47
Total amount recognised in Other Comprehensive Income	(0.78)	(0.41)	(1.19)
Employer contributions/premiums paid	-	(10.28)	(10.28)
Benefit payments	(13.91)	13.91	-
Mortality charges and taxes	-	0.18	0.18
31 March 2023	95.28	(65.81)	29.47

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Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2021	85.45	(69.59)	15.86
Current service cost	7.60	-	7.60
Interest expense/(income)	4.92	(4.16)	0.76
Total amount recognised in Profit or Loss	12.52	(4.16)	8.36
Remeasurements			
- Gain from change in demographic assumptions	(0.76)	-	(0.76)
- Loss from change in financial assumptions	5.66	0.06	5.72
- (Gain)/loss from remeasurements on obligation	-	-	-
- Experience losses/(gain)	8.94	(0.66)	8.28
Total amount recognised in Other Comprehensive Income	13.84	(0.60)	13.24
Employer contributions/premiums paid	-	(7.85)	(7.85)
Benefit payments	(17.03)	17.03	-
Mortality charges and taxes	-	0.13	0.13
31 March 2022	94.78	(65.04)	29.74

II The net liability disclosed above relates to funded plans are as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of funded obligation	95.28	94.78
Fair value of plan assets	(65.81)	(65.04)
Net liability position	29.47	29.74

III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.30%	6.60%
Salary growth rate	8.00%	8.00%
Withdrawal rate:		
Age upto 30 years	16.00%	15.00%
Age 31-40 years	16.00%	15.00%
Age 41-50 years	16.00%	15.00%
Age above 50 years	16.00%	15.00%
Mortality rate	IALM (2012-14) ult	IALM (2012-14) ult
Expected average remaining working lives of employees (in years)	5.57	5.82

IV Sensitivity analysis

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

Assumption	Impact on defined benefit obligation	
	As at 31 March 2023	As at 31 March 2022
Discount rate		
1% decrease	2.97%	4.80%
1% increase	-2.75%	-4.50%
Salary increment rate		
1% decrease	-3.49%	-3.50%
1% increase	3.70%	3.70%
Withdrawal rate		
1% decrease	1.29%	0.60%
1% increase	-0.07%	-0.60%

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

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

The following payments are expected future benefit payments:

Particulars	As at 31 March 2023	As at 31 March 2022
Between 1 year	18.18	21.73
Between 2 - 5 years	60.75	54.35
Between 6 - 10 years	62.36	61.11

V The major categories of plan assets are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Pooled assets with an insurance company	100.00%	100.00%

Defined contribution plans

- C The Company also has certain defined contribution plans. Contributions are made to provident fund in India for eligible employees at 12% of basic and dearness allowance as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period 2023, towards defined contribution plan is INR 27.55 million (31 March 2022 INR 26.33 million).

Risk Exposure

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

- i **Asset Volatility** : All plan assets for gratuity are maintained in a trust managed by a public sector insurer viz.LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- ii **Changes in bond yields** : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plans' bond holdings
- iii **Life expectancy**: This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.
- iv **Future salary increase and inflation risk**: Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.
- v **Asset-Liability mismatch risk**: Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

37 Fair value measurements

Financial assets and liabilities at amortised cost

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets		
Trade receivables	1,414.85	1,365.99
Cash and cash equivalents	92.49	211.42
Loans	126.50	55.75
Other	27.32	25.02
Investments	20.00	20.00
Total financial assets	1,681.16	1,678.18
Financial liabilities		
Borrowings	23.52	161.89
Lease liabilities	19.25	29.90
Trade payable	741.31	748.84
Capital creditors	31.40	8.72
Dealer deposits	51.79	51.68
Payable to employees	122.36	97.08
Others	3.08	3.28
Total financial liabilities	992.71	1,101.39

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, security deposits, loans, cash and cash equivalents, trade payables, dealer deposits received, borrowings, capital creditors, current maturities are considered to be the same as their fair values, due to their short-term nature.

The non-current borrowings from banks are at market interest rate and are not materially different from their fair value.

38 Financial risk management

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost and fair value through profit or loss	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling Cash Flow Forecasts	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Management follows established risk management policy
Market risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Management follows established risk management policy

The Company's activities exposes it to market risk, liquidity risk and credit risk.

A Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

(i) Credit risk management

For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Credit risk related to trade receivables arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Company has following types of financial assets that are subject to expected credit loss model:

- Trade receivables
- Security deposits carried at amortised cost
- Loans carried at amortised cost

While cash and cash equivalents are also subject to impairment requirements under Ind-AS 109, there was no identified impairment loss.

Trade receivables

To measure the expected credit losses, trade receivables have been grouped based days past due. The expected credit loss rates are based on the payment profiles of sales over a period of 48 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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Loss allowance as at 31 March 2023 and 31 March 2022 was determined as follows trade receivables under the simplified approach:

As at 31 March 2023	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount – trade receivables	1,480.75	27.04	28.65	7.24	40.34	1,584.02
Expected loss rate	6.81%	18.88%	76.03%	82.87%	87.83%	10.68%
Expected credit losses– trade receivables	100.86	5.10	21.78	6.00	35.43	169.17
Carrying amount of trade receivables (net of impairment)	1,379.89	21.94	6.87	1.24	4.91	1,414.85

As at 31 March 2022	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount – trade receivables	1,229.56	119.79	3.76	55.07	21.06	1,429.24
Expected loss rate	0.52%	0.79%	100.00%	71.91%	59.40%	4.43%
Expected credit losses– trade receivables	6.44	0.94	3.76	39.60	12.51	63.25
Carrying amount of trade receivables (net of impairment)	1,223.12	118.85	-	15.47	8.55	1,365.99

Reconciliation of loss allowance provision - trade receivables

Particulars	Amount
Loss allowance as on 31 March 2021	(64.84)
Changes in loss allowance	1.59
Loss allowance as on 31 March 2022	(63.25)
Changes in loss allowance	(105.92)
Loss allowance as on 31 March 2023	(169.17)

Loans carried at amortised cost

All loan are considered to have a low credit risk, and the loss allowance recognised during the year was based on specific identification basis. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term which is generally based on past experience and any specific instances noted to the contrary.

Security Deposits

Credit risk on security deposits is limited as it given for leased premises and to Electricity Board for supply of electricity

B Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

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

	As at 31 March 2023	As at 31 March 2022
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	900.00	849.54
- Expiring beyond one year (bank loans)	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of One year (31 March 2022 – One year).

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Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

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

As at 31 March 2023	Less than a year	1 - 3 years	More than 3 years
Borrowings	23.59	-	-
Lease liabilities	6.03	13.36	3.45
Trade payables	741.31	-	-
Other financial liabilities	131.51	79.69	-
Total	902.44	93.05	3.45

As at 31 March 2022	Less than a year	1 - 3 years	More than 3 years
Borrowings	139.66	22.23	-
Lease liabilities	12.56	14.79	8.05
Trade payables	748.84	-	-
Other financial liabilities	96.88	66.68	-
Total	997.94	103.70	8.05

C Market Risk

(i) Foreign currency risk

Currency risk means the risk that the result or economic situation of the Company changes due to changes in exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of reporting period in INR (millions), are as follows

Particulars	As at 31 March 2023			As at 31 March 2022		
	USD	EURO	RMB	USD	EURO	RMB
Financial assets						
Trade receivables	91.21	132.82	-	80.86	98.01	-
Net exposure to foreign currency risk (assets)	91.21	132.82	-	80.86	98.01	-
Financial liabilities						
Borrowings	-	23.52	-	-	111.12	-
Others	-	20.85	10.28	34.17	18.27	14.48
Net exposure to foreign currency risk (liabilities)	-	44.37	10.28	34.17	129.39	14.48

The aggregate net foreign exchange gain /(loss) recognised in Statement of Profit and Loss is INR 1.21 million (31March 2022 - INR (5.68) million)

The sensitivity of profit or loss to changes in foreign exchange rates with respect to year end payable / receivable balances is as follows :

Particulars	Impact on profit	
	As at 31 March 2023	As at 31 March 2022
Increase by 5%*		
USD	4.56	2.33
EURO	4.42	3.99
RMB	0.51	(0.72)
Decrease by 5%*		
USD	(4.56)	(2.33)
EURO	(4.42)	(3.99)
RMB	(0.51)	0.72

*Holding all other variables constant

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(ii) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During year ended 31 March 2023 and 31 March 2022, the Company's borrowings at variable rate were mainly denominated in INR.

Interest rate risk exposure

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Variable rate borrowings	23.52	139.35
Weighted average rate of interest	-	-
% to total loans	100%	86%
Variable rate borrowings with exposure to interest rate risk	23.52	139.35

A movement of 50 basis points in the interest rate will not have material impact on profit after tax.

39 Capital management

(a) Risk Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings and lease liabilities net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet)

The gearing ratios were as follows:

Particulars	As at	As at
	31 March 2023	31 March 2022
Net debt	(49.65)	(19.64)
Total equity	2,891.31	2,445.54
Net debt to equity ratio	-1.72%	-0.80%

Loan Covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- (i) The Debt Service Coverage Ratio (DSCR) should be greater than equal to 2 times
- (ii) Total Debt to EBITDA less than equal to 3.25 times
- (iii) TOL/TNW less than equal to 2 times

Company has complied with these covenants through out the year.

(b) Dividends

Particulars	As at	As at
	31 March 2023	31 March 2022
(i) Equity shares		
Final dividend for the year ended 31 March 2022 of INR 4.00 (31 March 2021 - INR 3.00) per fully paid share	90.00	67.50
Interim dividend for the year ended 31 March 2023 of INR 7.50 (31 March 2022 - INR 4.50) per fully paid share	168.75	101.25
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 5.00 (31 March 2022 - INR 4.00) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	112.50	90.00

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40 Segment reporting

As per para 4 of Ind AS-108 (Operating Segments), if a single financial report contains both the consolidated financial statements of a parent that is within the scope of this Indian Accounting Standard as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly segment information has been provided only in the consolidated financial statements.

41 Related party transactions

A) Name of the related parties and nature of relationship

(i) Where control exists :

Holding and Ultimate Holding Company
Karun Carpets Private Limited

(ii) Other related parties with whom transactions have taken place

Subsidiaries:	
1	Premium Stephan Gmbh
2	Premium Motion Private Limited
Entities in which KMP exercise significant influence	
1	EICL Limited
2	Greaves Cotton Limited
3	DBH Consulting Limited
4	Aravali Sports and Cultural Foundation
Entities which exercise significant influence on the Company	
1	DBH Mauritius Limited
Key Management Personnel	
1	Mr. Karan Thapar – Chairman
2	Mr. Neeraj Bisaria – Managing Director & Chief Executive Officer

I	Key management personnel compensation	As at	As at
		31 March 2023	31 March 2022
	Short term employee benefits	29.07	24.08
	Post-employment benefits	1.80	1.10
	Total	30.87	25.18

II	Transactions with related parties	For the year ended 31	For the year ended 31
		March 2023	March 2022
	Sale of goods & Services		
1	Greaves Cotton Limited	0.21	0.53
2	Premium Stephan Gmbh	118.58	122.63
3	Premium Motion Private Limited	2.66	5.44
	Purchase of goods		
1	Premium Stephan Gmbh	2.06	11.10
2	Greaves Cotton Limited	-	0.16
3	EICL Limited	-	6.57
4	Premium Motion Private Limited	0.87	-
	Reimbursement given for expense		
1	Premium Motion Private Limited	0.07	-
2	Premium Stephan Gmbh	9.50	-
	Advance given for expenses		
1	Premium Motion Private Limited	-	7.79
	Receipt of services and other charges		
1	Greaves Cotton Limited	0.05	-
2	DBH Consulting Limited	2.41	2.45
	Reimbursement received for expense		
1	Premium Motion Private Limited	2.60	-
	Guarantee commission		
1	Premium Stephan Gmbh	0.57	0.80
2	Premium Motion Private Limited	0.50	0.13
	Rent income		
1	Premium Motion Private Limited	5.45	5.09
	Inter corporate deposit given		
1	Premium Stephan Gmbh	150.00	-
2	Premium Motion Pvt. Ltd.	163.50	70.00
	Inter corporate deposit repayment received		
1	Premium Stephan Gmbh	-	47.86
2	Premium Motion Private Limited	87.00	20.00
	Interest on Inter corporate deposit		
1	Premium Stephan Gmbh	5.59	4.18
2	Premium Motion Private Limited	6.94	2.28
	Security deposit received		
1	Premium Motion Private Limited	-	2.50
	Donations made		
1	Aravali Sports and Cultural Foundation	1.00	1.00
	Dividend Paid		
1	DBH Mauritius Limited	76.19	49.69
2	Karun Carpets Private limited	182.56	119.06

Premium Transmission Private Limited
Notes to standalone financial statements
(All amounts are in Rupees millions, unless stated otherwise)

III	Outstanding balances from sale/purchases of goods	As at 31 March 2023	As at 31 March 2022
	Trade Payables		
1	Greaves Cotton Limited	0.02	0.06
2	Premium Stephan Gmbh	13.95	11.47
3	EICL Limited	1.22	1.39
4	DBH Consulting Limited	-	0.64
	Total trade payables from related parties	15.19	13.56
IV	Outstanding balances from sale/purchases of goods /Services	As at 31 March 2023	As at 31 March 2022
	Trade Receivables		
1	Premium Stephan Gmbh	107.68	99.94
2	Greaves Cotton Limited	0.07	0.47
3	Premium Motion Private Limited	1.38	5.84
	Total receivables from related parties	109.13	106.25
V	Other Receivable	As at 31 March 2023	As at 31 March 2022
	Interest Receivable		
1	Premium Motion Private Limited	0.70	3.43
	Total other receivables from related parties	0.70	3.43
VI	Security deposit payable	As at 31 March 2023	As at 31 March 2022
	Security deposit payable		
1	Premium Motion Private Limited	2.50	2.50
	Total Security deposit payable from related parties	2.50	2.50
VII	Loan given to related party	As at 31 March 2023	As at 31 March 2022
1	Premium Motion Private Limited	126.50	55.75
	Total loan given to related party	126.50	55.75
VIII	Guarantees	As at 31 March 2023	As at 31 March 2022
	Guarantees given outstanding shown under contingent liabilities		
1	Premium Stephan Gmbh	-	260.24
2	Premium Motion Private Limited	100.00	100.00
	Total Guarantees given outstanding shown under contingent liabilities	100.00	360.24

- B)** (1) Transactions related to dividends were on the same terms and conditions that applied to other shareholders.
(2) Goods were sold to fellow subsidiaries during the year based on the price lists inforce and terms that would be available to third parties.
(3) All other transactions were made on normal commercial terms and conditions and at market rate.
(4) All outstanding balances are unsecured and repayable at cash.

Premium Transmission Private Limited
Notes to standalone financial statements
(All amounts are in Rupees millions, unless stated otherwise)

42 Contingent Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debts:		
- Central sales tax, VAT and GST liability that may arise in respect of matters in appeal	3.34	40.61
- Excise duty liability that may arise in respect of matters in appeal	34.46	34.46
- Income tax liability that may arise in respect of matters in appeal (exclude interest and penalty to the extent not known)	36.79	32.78
Guarantees*		
Borrowings Outstanding	100.00	360.24
Total	174.59	468.09

*The Company has given financial guarantees of Premium Stephan GmbH for working capital requirement (For 31 March 2023 -Nil , 31 March 2022 Euro 3,074,000) to banks on behalf of its subsidiary for working capital requirement

*The Company has given financial guarantees of Premium Motion Private Limited for working capital requirement of INR 100 million

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

43 Capital commitments:

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment	175.60	58.03

44 Earning per share

Particulars	As at 31 March 2023	As at 31 March 2022
Profit attributable to the equity holders of the company used in calculating basic earnings per share	703.63	337.85
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	22.50	22.50
Basic and Diluted Earning per share	31.27	15.02

45 Exceptional Item

Premium Stephan GmbH is a wholly owned subsidiary; and has been, in the past, engaged in the manufacture and trading of gear units, geared motors and fluid couplings. Owing to sustained losses and basis an operational and financial evaluation undertaken by the management, it was resolved to liquidate Premium Stephan GmbH and accordingly an application for liquidation has been filed in Germany w.e.f. 31 January 2023.

Based on the recoverability assessment performed by the management, no proceeds on liquidation are anticipated and accordingly, the Company has written off all the investments that were made, as below:

- Investment in equity shares amounting to INR 164.59 million, which was already provided for in books in financial year ended 31 March 2022.
- Inter corporate deposit of INR 150 million
- Payment against guarantee given to ICICI Bank, UK Plc of INR 259.98 million

Further, the Company has also made a provision for trade receivable amount of INR 107.68 million due from Premium Stephan GmbH.

Being the sole shareholder, the Company has been issuing a letter of comfort to support Premium Stephan GmbH and provide necessary financial support in order to fulfil its financial obligations and discharge its debts to third parties. Furthermore, based on the recoverability assessment performed by the management, it is anticipated that the said letter of comfort may be invoked to settle debts arising over and above funds available with Premium Stephan GmbH. However, any potential liability is pending to be quantified subject to the conclusion of liquidation proceedings.

46 Assets pledged as security

The carrying amounts of assets pledged as security for current and non - current borrowings are

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Current			
Financial Assets			
First Charge			
Receivables	10	1,414.85	1,135.97
Inventories	9	954.79	688.00
Floating Charge			
Receivables	10	1,414.85	1,135.97
Inventories	9	954.79	688.00
Total current assets pledged as security		2,369.64	1,823.97
Non Current			
First Charge			
Plant and Equipment	4 (a)	495.77	453.65
Vehicles	4 (b)	19.15	2.21
Total non current assets pledged as security		514.92	455.86
Total assets pledged as security		2,884.56	2,279.83

Premium Transmission Private Limited

Notes to standalone financial statements

(All amounts are in Rupees millions, unless stated otherwise)

47 a) Additional regulatory information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. 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
- b. provide any guarantee, security or the like to or 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:

- a. 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
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

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

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company

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), as disclosed in note 4(a) to the standalone financial statements, are held in the name of the Company.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

Premium Transmission Private Limited
Notes to Standalone financial statements
(All amounts are in Rupees millions, unless stated otherwise)

b) Analytical Ratios

Ratios	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance of more than 25%
(a) Current Ratio	Current assets	Current Liabilities	2.16	1.96	10%	NA
(b) Debt-Equity Ratio	Total debt (Current+Non current Borrowing)	Total Shareholder's Equity	0.01	0.07	-88%	Decrease in ratio due to repayment of borrowings
(c) Debt Service Coverage Ratio	Net profit after tax + Non cash operating exp	Total Debt Service (current Borrowing+Current lease liability+)	31.66	3.74	747%	Decrease in borrowing and increased profit has resulted into better ratio
(d) Return on Equity Ratio	Net profit after tax	Average Shareholder's Equity	0.26	0.14	85%	Due to healthy growth in Net profit , Return on Equity is doubled
(e) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.17	3.24	-2%	NA
(f) Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	4.52	4.05	12%	NA
(g) Trade payables turnover ratio	Total purchases	Average Trade Payables	4.01	3.88	3%	NA
(h) Net capital turnover ratio	Net Sales	Working Capital	4.60	4.02	14%	NA
(i) Net profit ratio	Net Profit after tax	Net Sales	0.11	0.07	68%	Ratio has improved due to in increase in profit for the year
(j) Return on Capital employed	EBIT	Capital employed	0.31	0.23	34%	Ratio has improved due to in increase in profit for the year
(k) Return on investment	EBIT	Total Assets	0.21	0.15	37%	Ratio has improved due to in increase in profit for the year

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of Premium Transmission Private Limited

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary-Legal

Place:
Date: May 10, 2023

Place :
Date: May 10, 2023

Independent Auditors' Report

To the Members of Premium Transmission Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Premium Transmission Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 40 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. 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 "Auditors' Responsibilities for the Audit of the consolidated financial statements" section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 11 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 11 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

5. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the consolidated financial statements

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

11. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 225.45 million and net assets of Rs. (548.71) million as at March 31, 2023, total revenue of Rs. 528.83 million, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (324.61) million and net cash inflows amounting to Rs. 50.52 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

12. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these consolidated financial statements.
13. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph (b) above that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 42 to the consolidated financial statements.
 - ii. The Group was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2023.
 - iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.
 - iv. (a) The respective Managements of the Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiary 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 or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Group.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN:
Place:
Date: May 10, 2023

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(g) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the Consolidated Financial Statements for the year ended March 31, 2023

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Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Premium Transmission Private Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is not applicable to a subsidiary incorporated in India namely Premium Motion Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017 and one subsidiary incorporated outside India namely Premium Stephan GmbH.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("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 the respective 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 consolidated financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(g) of the Independent Auditors' Report of even date to the members of Premium Transmission Private Limited on the Consolidated Financial Statements for the year ended March 31, 2023

Page 2 of 2

Meaning of Internal Financial Controls with reference to consolidated financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN:
Place:
Date: May 10, 2023

Premium Transmission Private Limited
Consolidated Balance Sheet
(All amounts are in Rupees millions, unless stated otherwise)

Particular	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current Assets			
Property, plant and equipment	4 (a)	1,117.91	1,094.55
Right-of-use assets	4 (b)	95.06	116.65
Capital work-in-progress	4 (a)	12.54	9.82
Intangible assets	4 (c)	18.01	19.01
Financial assets			
- Other Financial Assets	5	26.18	24.69
Income tax assets (net)	6	182.54	33.16
Deferred Tax Assets (Net)	7	34.41	25.47
Other non-current assets	8	102.01	99.52
Total non-current assets		1,588.66	1,422.87
Current assets			
Inventories	9	974.35	1,104.69
Financial assets			
(a) Trade receivables	10	1,500.46	1,445.52
(b) Cash and cash equivalents	11	153.59	237.14
(c) Other financial assets	12	2.37	6.87
Other current assets	13	89.39	41.15
Assets classified as held for Sale	47	13.26	-
Total current assets		2,733.42	2,835.37
Total Assets		4,322.08	4,258.24
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	225.00	225.00
Other equity			
Reserves and surplus	15	2,526.87	1,949.89
Other reserves	15	(6.19)	(2.67)
Total equity		2,745.68	2,172.22
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	16	-	22.22
(b) Lease liabilities	4 (b)	27.94	48.50
(c) Other financial liabilities	17	77.19	64.19
Provisions	18	60.14	9.46
Employee benefit obligations	19	-	30.34
Total non-current liabilities		165.27	174.71
Current liabilities			
Financial liabilities			
(a) Borrowings	20	23.52	471.36
(b) Lease liabilities	4 (b)	22.26	23.72
(c) Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		279.01	276.59
- Total outstanding dues of creditors other than micro enterprises and small enterprises		518.05	636.48
(d) Other financial liabilities	22	249.47	146.33
Provisions	23	26.60	19.27
Employee benefit obligations	24	101.58	81.91
Current tax liabilities	6	-	26.70
Other current liabilities	25	190.64	228.95
Total current liabilities		1,411.13	1,911.31
Total Liabilities		1,576.40	2,086.02
Total equity and liabilities		4,322.08	4,258.24

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.
This is the Consolidated Balance Sheet referred in our report of event date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium
Transmission Private Limited**

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary - Legal

Place:
Date: May 10, 2023

Place:
Date: May 10, 2023

Premium Transmission Private Limited
Consolidated Statement of Profit and Loss
(All amounts are in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Continuing Operations			
Revenue from operations	26	6,326.77	5,116.15
Other income	27	14.63	6.59
Total income		6,341.40	5,122.74
Expenses			
Cost of materials consumed	28	2,948.75	2,687.68
Changes in inventories of work-in-progress and finished goods	29	19.21	(70.20)
Employee benefit expense	30	696.25	676.22
Depreciation and amortisation expense	31	169.93	171.94
Other expenses	0	1,154.17	928.38
Finance costs	1	14.70	32.88
Total expenses		5,003.01	4,426.90
Profit before tax from continuing operations		1,338.39	695.84
Income tax expense			
- Current tax	2	223.20	202.99
- Prior year tax adjustment		(20.51)	28.63
- Deferred tax		(9.24)	(7.39)
Total tax expense		193.45	224.23
Profit from continuing operations		1,144.94	471.61
Discontinued operations			
Loss from discontinued operation before tax		(317.54)	(50.16)
Tax expense of discontinued operations		-	-
Loss from discontinued operation		(317.54)	(50.16)
Profit for the year		827.40	421.45
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of discontinued operation	47	(3.52)	(3.47)
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post-employment benefit obligations	3	8.63	(8.51)
Income-tax relating to the above	2	(0.30)	3.33
Other comprehensive income for the year, net of tax		4.81	(8.65)
Total comprehensive income for the year		832.21	412.80
Total comprehensive income arises from:			
Continuing operations		1,145.65	461.71
Discontinued operations		(313.44)	(48.91)
Earnings per equity share for profit from continuing operation:			
Basic and Diluted	12	50.89	20.96
Loss per equity share for profit from discontinued operation:			
Basic and Diluted	12	(14.11)	(2.23)
Earnings per equity share for profit from continuing and discontinued operation:			
Basic and Diluted	12	36.77	18.73

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Consolidated Statement of Profit and Loss referred in our report of event date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors of Premium
Transmission Private Limited**

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary - Legal

Place:
Date: May 10, 2023

Place:
Date: May 10, 2023

Premium Transmission Private Limited
Consolidated Statement of Changes in Equity as at March 31, 2023
(All amounts are in Rupees millions, unless stated otherwise)

A. Equity share capital

Particulars	Notes	Amount
As at 31 March 2021	14	225.00
Changes in equity share capital		-
As at 31 March 2022	14	225.00
Changes in equity share capital		-
As at 31 March 2023	14	225.00

B. Other equity

Particulars	Notes	Reserves and Surplus			Other reserves	Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	Foreign currency translation reserve	
Balance as at April 1, 2021	15	633.42	695.38	373.57	0.80	1,703.17
Profit for the year		421.45	-	-	-	421.45
Other comprehensive income		(5.18)	-	-	(3.47)	(8.65)
Total Comprehensive Income for the year		416.27	-	-	(3.47)	412.80
Transactions with owners in their capacity as owners:						
Dividends paid	38 (b)	(168.75)	-	-	-	(168.75)
As at 31 March 2022		880.94	695.38	373.57	(2.67)	1,947.22

Particulars	Notes	Reserves and Surplus			Other reserves	Total Equity
		Retained Earnings	General reserve	Capital redemption reserve	Foreign currency translation reserve	
Balance as at April 1, 2022	15	880.94	695.38	373.57	(2.67)	1,947.22
Profit for the year		827.40	-	-	-	827.40
Other comprehensive income		8.33	-	-	(3.52)	4.81
Total Comprehensive Income for the year		835.73	-	-	(3.52)	832.21
Transactions with owners in their capacity as owners:						
Dividends paid	38 (b)	(258.75)	-	-	-	(258.75)
As at 31 March 2023		1,457.92	695.38	373.57	(6.19)	2,520.68

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Consolidated Statement of Changes in Equity referred in our report of event date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/NS00016

**For and on behalf of the Board of Directors of Premium
Transmission Private Limited**

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary - Legal

Place:
Date: May 10, 2023

Place:
Date: May 10, 2023

Premium Transmission Private Limited
Consolidated Statement of Cash Flows
(All amounts are in Rupees millions, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities			
Profit/ (loss) before income tax			
Continuing operations		1,338.39	695.84
Discontinued operations		(317.54)	(50.16)
Profit before income tax including discontinued operations		1,020.85	645.68
Adjustments for :			
Depreciation and amortisation expense	31 & 47	218.26	192.92
Gain on disposal of property, plant and equipment	27	(2.75)	-
Interest income from financial assets at amortised cost	27	(0.73)	(1.23)
Liabilities to the extent no longer required written back	27 & 47	(0.02)	(0.63)
Provision for doubtful debts	32 & 47	6.62	9.29
Finance costs	33 & 47	26.37	42.82
Net exchange differences		(8.16)	2.46
Changes in operating assets and liabilities :			
Increase in trade receivables	10	(61.56)	(308.05)
(Increase)/ decrease in inventories	9	130.34	(263.35)
Increase/ (decrease) in trade payables	21	(115.99)	160.59
(Increase)/ decrease in other financial assets	5 & 12	3.01	(6.72)
Increase in other financial liabilities	17 & 22	98.03	46.14
(Increase)/ decrease in other assets	8 & 13	(31.63)	16.30
Increase in provisions	18 & 23	58.01	3.65
Increase/ (decrease) in employee benefit obligations	19 & 24	(2.03)	7.69
Increase/ (decrease) in current liabilities	25	(38.31)	51.90
Cash generated from operations		1,300.31	599.46
Income taxes paid (net of refund)		(378.77)	(180.27)
Net cash inflow from operating activities		921.54	419.19
Cash flows from investing activities :			
Payments for property, plant and equipment and intangible assets	4 (a)	(233.82)	(135.29)
Proceeds from sale of property, plant and equipment	4 (a)	3.13	0.55
Interest received on deposits		0.73	1.23
Net cash outflow from investing activities		(229.96)	(133.51)
Cash flow from financing activities :			
Repayment of long-term borrowings (net)	16	(22.22)	(95.54)
Principal elements of lease payments		(22.01)	(24.14)
Repayment of short-term borrowings (net)	20	(447.84)	(52.84)
Interest paid		(25.06)	(32.28)
Other finance cost paid		(2.39)	(1.48)
Dividends paid	6	(258.75)	(168.75)
Net cash outflow from financing activities		(778.27)	(375.03)
Net decrease in cash and cash equivalents		(86.69)	(89.35)
Cash and cash equivalents at the beginning of the financial year	11	237.14	326.28
Effects of exchange rate changes on cash and cash equivalents		3.14	0.21
Cash and cash equivalents at the end of the financial year	11	153.59	237.14
Non-cash investing activities			
- Acquisition of right-of-use assets		3.02	0.95
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	11	153.59	237.14
Balance as per statement of cash flows		153.59	237.14

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.
This is the Consolidated Statement of Cash Flows referred in our report of event date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors of
Premium Transmission Private Limited

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary - Legal

Place:
Date: May 10, 2023

Place:
Date: May 10, 2023

Premium Transmission Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees millions, unless stated otherwise)

4 (a) Property, plant and equipment

Particular	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
Year ended 31 March 2022									
Gross carrying amount									
Opening gross carrying amount	275.72	290.05	792.31	19.11	11.44	14.98	32.79	1,436.40	16.94
Additions	-	10.12	83.31	3.97	-	17.45	9.08	123.93	133.78
Disposals	-	-	-	-	(1.11)	(0.47)	-	(1.58)	-
Transfer	-	-	-	-	-	-	-	-	(140.90)
Exchange differences	-	-	(0.37)	-	-	-	(0.51)	(0.88)	-
Closing gross carrying amount	275.72	300.17	875.25	23.08	10.33	31.96	41.36	1,557.87	9.82
Accumulated depreciation									
Opening accumulated depreciation	-	28.76	242.86	6.79	5.53	9.99	7.90	301.83	-
Charge for the year	-	15.32	131.26	3.20	3.16	4.58	5.18	162.70	-
Disposals	-	-	-	-	(0.56)	(0.47)	-	(1.03)	-
Exchange differences	-	-	(0.05)	-	-	-	(0.13)	(0.18)	-
Closing accumulated depreciation	-	44.08	374.07	9.99	8.13	14.10	12.95	463.32	-
Closing net carrying amount	275.72	256.09	501.18	13.09	2.20	17.86	28.41	1,094.55	9.82

Particular	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Total	Capital work-in-progress
Year ended 31 March 2023									
Gross carrying amount									
Opening gross carrying amount	275.72	300.17	875.25	23.08	10.33	31.96	41.36	1,557.87	9.82
Additions	-	3.56	168.76	1.53	21.94	25.86	0.32	221.97	230.88
Disposals	-	-	(15.03)	(0.46)	(10.28)	(6.89)	(0.48)	(33.14)	-
Assets classified as held for sale (refer note 47)	-	-	(25.76)	-	-	-	(33.42)	(59.18)	-
Transfer	-	-	-	-	-	-	-	-	(228.16)
Exchange differences	-	-	1.16	-	-	-	1.69	-	2.85
Closing gross carrying amount	275.72	303.73	1,004.38	24.15	21.99	50.93	9.47	1,690.37	12.54
Accumulated depreciation									
Opening accumulated depreciation	-	44.08	374.07	9.99	8.13	14.10	12.95	463.32	-
Charge for the year	-	15.90	138.49	3.17	3.49	7.29	16.78	185.12	-
Disposals	-	-	(14.65)	(0.46)	(10.28)	(6.89)	(0.48)	(32.76)	-
Assets classified as held for sale (refer note 47)	-	-	(21.66)	-	-	-	(24.26)	(45.92)	-
Exchange differences	-	-	1.34	-	-	-	1.36	2.70	-
Closing accumulated depreciation	-	59.98	477.59	12.70	1.34	14.50	6.35	572.46	-
Closing net carrying amount	275.72	243.75	526.79	11.45	20.65	36.43	3.12	1,117.91	12.54

Contractual obligations

Refer to note 11 for disclosure of contractual commitments for the acquisition of Property, plant and equipment.
The Group has pledged all plant and machineries funded out of the foreign currency term loan (refer note 45).

Ageing of Capital Work In Progress

Particulars	For the year ended 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.82	-	-	-	9.82
Projects temporarily suspended	-	-	-	-	-
Total	9.82	-	-	-	9.82

Note : There are no assets which are overdue for completion or has exceeded its cost compared to its original plan.

Ageing of Capital Work In Progress

Particulars	For the year ended 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12.54	-	-	-	12.54
Projects temporarily suspended	-	-	-	-	-
Total	12.54	-	-	-	12.54

Note : There are no assets which are overdue for completion or has exceeded its cost compared to its original plan.
Capital Work in Progress mainly consist of HMC Machine fixtures, Air compressor and MI Conveyor.

Premium Transmission Private Limited
Notes to consolidated financial statements

(All amounts are in Rupees millions, unless stated otherwise)

4 (b) Leases:

This note provides information for leases where the Group is a lessee. The Group leases various offices, land, furniture and residential premises. Rental contracts are typically made for fixed periods of 1-9 years, but may have extension and/or termination options as described in (iii).

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2023	As at 31 March 2022
<u>Right-of-use assets:</u>		
Land	51.12	56.00
Office Premises	43.28	59.24
Residential Premises	0.56	0.88
Furnitures and Fixtures	0.10	0.53
	95.06	116.65

Particulars	As at 31 March 2023	As at 31 March 2022
<u>Lease Liabilities:</u>		
Current	22.26	23.72
Non-current	27.94	48.50
	50.20	72.22

Additions to right-of-use assets during the year ended 31 March 2023 were INR 3.02 million (31 March 2022: INR 0.95 million)

(ii) Amounts recognized in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<u>Depreciation charge of right-of-use assets</u>	31 & 47		
- Land		4.88	5.26
- Office Premises		20.63	20.07
- Residential Premises		0.32	0.05
- Furnitures and Fixtures		0.12	0.13
Total		25.95	25.51

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Interest expense (included in finance costs)	33 & 47	3.17	4.41
Expense relating to short-term leases (included in other expenses)	32 & 47	2.66	1.72
Expense relating to leases of low value assets that are not shown above as short term leases (included in other expenses)	32 & 47	0.70	1.30

The total cash outflow for leases for the year ended 31 March 2023 was INR 25.18 million (31 March 2022: INR 28.55 million)

(iii) Extension and termination options

Termination options are included in a number of leases with respect to office premise and residential premise leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. No extension options have been exercised.

Premium Transmission Private Limited
Notes to consolidated financial statements
 (All amounts are in Rupees millions, unless stated otherwise)

4 (c) Intangible assets

Partiulars	Software	Technical Know-How	Total
Year ended 31 March 2022			
Gross carrying amount			
Opening gross carrying amount	12.95	0.05	13.00
Additions	16.97	-	16.97
Exchange differences	(0.04)	-	(0.04)
Closing gross carrying amount	29.88	0.05	29.93
Accumulated amortisation			
Opening accumulated amortisation	6.20	0.05	6.25
Charge for the year	4.71	-	4.71
Exchange differences	(0.04)	-	(0.04)
Closing accumulated amortization	10.87	0.05	10.92
Closing net carrying amount	19.01	-	19.01

Partiulars	Software	Technical Know-How	Total
Year ended 31 March 2023			
Gross carrying amount			
Opening gross carrying amount	29.88	0.05	29.93
Additions	6.19	-	6.19
Exchange differences	0.18	-	0.18
Closing gross carrying amount	36.25	0.05	36.30
Accumulated amortisation			
Opening accumulated amortisation	10.87	0.05	10.92
Charge for the year	7.19	-	7.19
Exchange differences	0.18	-	0.18
Closing accumulated amortization	18.24	0.05	18.29
Closing net carrying amount	18.01	-	18.01

5 Other Non Current Financial Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	26.18	24.69
Total	26.18	24.69

Break up of security details

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit considered good - Secured	-	-
Security deposit considered good - Unsecured	26.18	24.69
Security deposit which have significant increase in credit risk	-	-
Security deposit - credit impaired	-	-
Total:	26.18	24.69
Less: Loss allowance	-	-
Total	26.18	24.69

6 Income tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance		
- Current tax assets	33.16	64.28
- Current tax liabilities	(26.70)	(6.47)
Less: Current tax payable for the year	(223.20)	(202.99)
Less: Taxes relating to earlier years	20.51	(28.63)
Add: Taxes paid	378.77	180.27
Closing balance	182.54	6.46
Income-tax assets	182.54	33.16
Current tax liabilities	-	26.70

7 Deferred tax assets (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities		
Property, plant and equipment and intangible assets	(8.51)	(14.39)
Right-of-use assets	(5.96)	(5.98)
Total Deferred Tax Liabilities	(14.47)	(20.37)
Deferred Tax Assets		
Provision for doubtful debts/advances	18.78	18.43
Expenses allowed on payment basis	23.14	19.89
Lease liabilities	6.96	7.52
Total Deferred Tax Assets	48.88	45.84
Total	34.41	25.47

Changes in Deferred Tax Assets/ (Liabilities) credited/(charged) during the year in Statement of Profit and Loss

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Statement of profit and loss</i>		
Property, plant and equipment and intangible assets	5.88	7.23
Right-of-use assets	0.02	2.17
Provision for doubtful debts/advances	0.35	0.31
Expenses allowed on payment basis	3.55	(0.23)
Lease liabilities	(0.56)	(2.09)
Total credited/ (charged) to profit or loss	9.24	7.39
Other comprehensive income		
Remeasurements of post-employment benefit obligations	(0.30)	3.33
Total credited/ (charged) to other comprehensive income	(0.30)	3.33

8 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	27.18	8.08
Balances with government authorities	74.83	91.44
Total	102.01	99.52

9 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	504.51	622.50
Work-in-progress	288.99	292.41
Finished goods	111.51	127.30
Stores and spares	69.34	62.48
Total	974.35	1,104.69

The above inventories includes goods-in-transit as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	6.19	25.64
Finished goods	-	16.20
Total	6.19	41.84

Amounts recognised in statement of profit or loss:

During the year, the amount of INR (27.81) (net of reversals) (31 March 2022 INR 11.03) were charged/ (credited) to Statement of Profit and Loss. These were recognised during the year in 'changes in values of inventories of work-in-progress and finished goods' in statement of profit and loss.

10 Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables from contracts with customers	1,567.94	1,508.83
Trade Receivables contracts with customers - related parties (Refer note 41)	0.07	0.48
Less: Loss allowance	(67.55)	(63.79)
Total	1,500.46	1,445.52

Break-up of security details

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,568.01	1,509.31
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Total	1,568.01	1,509.31
Less: loss allowance	(67.55)	(63.79)
Total	1,500.46	1,445.52

Trade Receivables ageing

Particulars	For the year ended 31 March 2023					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,432.98	37.72	23.60	1.25	4.91	1,500.46
(ii) Undisputed Trade Receivables - considered doubtful	-	-	9.14	1.89	10.07	21.10
(iii) Disputed Trade Receivables Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	16.98	4.10	25.37	46.45
Less: Loss allowance	-	-	(26.12)	(5.99)	(35.44)	(67.55)
Total	1,432.98	37.72	23.60	1.25	4.91	1,500.46

Trade Receivables ageing

Particulars	For the year ended 31 March 2022					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,289.55	128.16	3.78	15.47	8.56	1,445.52
(ii) Undisputed Trade Receivables - considered doubtful	0.41	-	3.89	12.94	12.51	29.75
(iii) Disputed Trade Receivables Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	6.44	0.94	-	26.66	-	34.04
Less: Loss allowance	(6.85)	(0.94)	(3.89)	(39.60)	(12.51)	(63.79)
Total	1,289.55	128.16	3.78	15.47	8.56	1,445.52

Premium Transmission Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees millions, unless stated otherwise)

11 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	139.74	231.19
- in EEFC accounts	13.76	5.83
Cash on hand	0.09	0.12
Total	153.59	237.14

There are no repatriation restrictions with regard to cash and cash equivalents.

12 Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Others*	2.37	6.87
Total	2.37	6.87

** Others pertain to miscellaneous advances given.*

13 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepayments	29.53	20.69
Balances with government authorities	28.90	9.62
Advances to vendors	29.70	9.76
Others	1.26	1.08
Total	89.39	41.15

Others includes excess spend on Corporate Social Responsibility related activities and advances to employees

14 Equity share capital

Authorised share capital

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2021	26,000,000	260.00
Increase during the year	-	-
As at 31 March 2022	26,000,000	260.00
Increase during the year	-	-
As at 31 March 2023	26,000,000	260.00

Particulars	Preference share capital	
	Number of shares	Amount
As at 31 March 2021	3,450,000	34.50
Increase during the year	-	-
As at 31 March 2022	3,450,000	34.50
Increase during the year	-	-
As at 31 March 2023	3,450,000	34.50

(a) Movements in equity share capital (issued, subscribed and paid-up)

Particulars	Number of shares	Amount
As at 31 March 2021	22,500,000	225.00
Change during the year	-	-
As at 31 March 2022	22,500,000	225.00
Change during the year	-	-
As at 31 March 2023	22,500,000	225.00

Includes five shares held as a nominee shareholder as follows:

Particulars	31 March 2023	31 March 2022
Mr. Karan Thapar	5	5

Terms/ rights attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Shares of the Company held by holding company and entity controlled by ultimate controlling party

Particulars	As at	As at
	31 March 2023	31 March 2022
Karun Carpets Private Limited	15,874,995	15,874,995
DBH Mauritius Limited (Entity controlled by ultimate controlling party)	6,625,000	6,625,000

(c) Shares held by holding company and details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2023	
	Number of shares	% of holding
Karun Carpets Private Limited	15,874,995	70.55553
DBH Mauritius Limited	6,625,000	29.44444

Particulars	As at 31 March 2022	
	Number of shares	% of holding
Karun Carpets Private Limited	15,874,995	70.55553
DBH Mauritius Limited	6,625,000	29.44444

(d) Aggregate number of shares issued for consideration other than cash

The Company has not allotted any shares without payment being received in cash during 5 years immediately preceding the year ended 31 March 2023.

Premium Transmission Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees millions, unless stated otherwise)

(e) **Detail of shareholding of promoters :**

Name of promoter	For the year ended 31 March 2023	
	No. of Shares	% of total Shares of the company
Karun Carpets Private Limited	15,874,995	70.5600%
Mr. Karan Thapar	5	0.0002%
Total	15,875,000	70.56%

Name of promoter	For the year ended 31 March 2022	
	No. of Shares	% of total Shares of the company
Karun Carpets Private Limited	15,874,995	70.5600%
Mr. Karan Thapar	5	0.0002%
Total	15,875,000	70.56%

15 Other equity

Reserves and surplus

Particulars	As at 31 March 2023	As at 31 March 2022
General Reserve (a)	695.38	695.38
Capital redemption reserve (b)	373.57	373.57
Retained earnings (c)	1,457.92	880.94
Total	2,526.87	1,949.89

(a) **General reserve:**

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning and end of the year	695.38	695.38

(b) **Capital redemption reserve:**

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning and end of the year	373.57	373.57

(c) **Retained earnings:**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	880.94	633.42
Net profit for the year	827.40	421.45
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post employment benefit obligations, net of tax	8.33	(5.18)
Dividends paid [Refer note 38(b)]	(258.75)	(168.75)
Closing balance	1,457.92	880.94

Other Reserves

Particulars	As at 31 March 2023	As at 31 March 2022
Foreign currency translation reserve		
Balance as at the beginning of the year	(2.67)	0.80
Movement for the year	(3.52)	(3.47)
Balance at the end of the year	(6.19)	(2.67)

Nature and purpose of reserves:

i General reserve:

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

ii Capital redemption reserve:

The reserve was created in compliance to section 69 of the Companies Act, 2013. The Company was required to transfer a sum equal to the nominal value that is Rs 100 per share of the 5% non-cumulative redeemable preference shares which were redeemed during the year ended March 31, 2014.

iii Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Premium Transmission Private Limited
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(All amounts are in Rupees millions, unless stated otherwise)

16 Non-current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term loans		
From banks		
Foreign currency loan (in Euro)*	23.59	111.11
Total non-current borrowings	23.59	111.11
Less: Current maturities of long-term debt (refer note 20)	23.52	88.89
Less: Interest accrued (refer note 22)	0.07	-
Total non-current borrowings (as per balance sheet)	-	22.22

*Term loan from bank has been secured by charge on plant and machinery funded out of the loan (refer note 45).

Terms of repayment:

Repayable in 12 equal quarterly installment from July 23, 2020
Repayable in 12 equal quarterly installment from February 28, 2019

Interest rate:

1.50% p.a
2.00% p.a

17 Other non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Dealer deposits payable	51.79	51.69
Payables to employees	25.40	12.50
Total	77.19	64.19

18 Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Other provisions:		
Provision for warranty	13.65	9.46
Provision for contingencies	46.49	-
Total	60.14	9.46

Movement in Provision for Warranty

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the short term after the reporting date. Assumptions used to calculate the provision for warranties were based on sales levels and technical evaluation carried out by the company based on current information available as regards claims, giving cognisance to the warranty period for certain products sold.

Particulars	As at 31 March 2023	As at 31 March 2022
Provision at beginning of the year	28.73	25.16
Add: Provision made during the year (net of reversals)	18.55	11.18
Less: Provision utilized	(7.03)	(7.61)
Provision at the end of the year	40.25	28.73
Non-current (included in note 18)	13.65	9.46
Current (included in note 23)	26.60	19.27

Movement in Provision for Contingencies

1. The Group has received an assessment order from Maharashtra Sales Tax authority (the "authority") for the financial year 2015-16 for non provision of C forms and H forms, on which the Group has claimed input tax credit. Total demand raised by the authorities is INR 38.27 million (including interest till the date of receipt of assessment order). The Group has deposited, under protest, an amount of INR 3.62 million and a provision for such estimated tax liability of INR 38.27 Millions has been recognized in the books. The Group has filed an appeal with authorities for the assessment order received. The appeal is pending with Maharashtra Deputy Commissioner of State Tax.

2. The Group has received a draft assessment order from Maharashtra Goods and Service Tax authority (the "authority") for the financial year 2017-18 for mismatch in GST as per GSTR 2A and PR-ITC, on which the Group has claimed input tax credit. Total demand raised by the authorities is INR 9.08 million (including interest till the date of receipt of assessment order). The Group has accepted and paid liability of Rs. 0.50 Million out of the total amount and for the rest amount provision has been recognised in the books for such estimated tax liability of INR 8.63 Millions. The final order is still awaited from the authority.

Particulars	As at	As at
Provision at beginning of the year	-	-
Add: Provision made during the year	46.49	-
Less: Provision utilized	-	-
Provision at the end of the year	46.49	-
Non-current (included in note 18)	46.49	-

19 Employee benefit obligations - Non Current

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provisions for pension (refer note 35)	-	30.34
Total	-	30.34

Premium Transmission Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees millions, unless stated otherwise)

20 Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Loans repayable on demand		
Secured		
<i>From banks</i>		
<i>In Indian rupees</i>		
Cash credit *	-	0.46
Working capital demand loan*	-	137.65
Current maturities of long term debt	23.52	88.89
<i>In foreign currency</i>		
Working capital demand loan	-	245.51
Total current borrowings	23.52	472.51
Less : Interest accrued (refer note 22)	-	1.15
Total current borrowings	23.52	471.36

* Working capital loans and cash credit from banks are secured by pari passu charge on current assets of the Company.

* Quarterly statement of current assets have been duly filed by the company with banks that is in agreement with books of account.

Terms of repayment:

Secured loans taken by Premium Transmission Private Limited for working capital requirements are repayable in 180 days from the date of drawdown and carrying interest rate ranging 6.50% - 9.30% p.a.

The working capital loan taken by Premium Stephan GmbH in foreign currency is repayable in 90 days and carry interest rates Euribor plus 2.5%. This loan was secured by the Holding Company, by board resolution covering 106% of the total limit which covers the principal and interest amount. This loan has been repaid by the holding company during the year.

Secured loans taken by Premium Motion Private Limited for working capital requirements are repayable in 180 days from the date of drawdown and carry interest rate of 7.00% p.a.

Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for the year ended.

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	153.59	237.14
Lease liabilities	(50.20)	(72.22)
Current borrowings	(23.52)	(472.51)
Non-current borrowings	(0.07)	(22.22)
Net cash and bank balance/ (net debt)	79.80	(329.81)

Particulars	Cash and cash equivalents	Lease obligations	Borrowings	Total
Net debt as on 1 April 2021	326.28	(95.99)	(641.08)	(410.79)
Cash flows	(89.35)	24.14	148.38	83.17
Foreign exchange adjustment	0.21	(0.37)	11.40	11.24
Interest paid	-	4.41	27.86	32.28
Interest expense	-	(4.41)	(41.30)	(45.71)
Net debt as on 31 March 2022	237.14	(72.22)	(494.73)	(329.81)

Particulars	Cash and cash equivalents	Lease obligations	Borrowings	Total
Net debt as on 1 April 2022	237.14	(72.22)	(494.73)	(329.81)
Cash flows	(86.69)	22.01	470.06	405.38
Foreign exchange adjustment	3.14	0.01	6.41	9.56
Interest paid	-	3.17	21.89	25.06
Interest expense	-	(3.17)	(27.22)	(30.39)
Net cash and bank balance as on 31 March 2023	153.59	(50.20)	(23.59)	79.80

21 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Payables		
(a) Micro and small enterprises	279.01	276.59
(b) Other than micro and small enterprises		
i) Related parties (refer note 41)	1.25	2.08
ii) Others	516.80	634.39
Total	797.06	913.06

Trade Payables ageing

Particulars	For the year ended 31 March 2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	241.69	36.09	-	1.08	0.15	279.01
(ii) Others	80.58	313.15	108.92	14.01	0.80	0.59	518.05
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
Total	80.58	554.84	145.01	14.01	1.88	0.74	797.06

Trade Payables ageing

Particulars	For the year ended 31 March 2022						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	173.07	103.30	0.14	0.03	0.05	276.59
(ii) Others	94.41	258.81	279.27	3.30	0.21	0.47	636.47
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
Total	94.41	431.88	382.57	3.44	0.24	0.52	913.06

Premium Transmission Private Limited
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Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end	270.27	269.97
Interest due to suppliers registered under the MSMED Act, on the principal amount due as at the year end and remaining unpaid as at the year end	0.21	3.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,119.27	605.78
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	4.78	2.77
Further interest remaining due and payable for earlier years	3.75	0.67

22 Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payables to employees	212.44	108.13
Capital Creditors -other than related party	33.92	14.74
Interest accrued	0.07	1.15
Others*	3.04	22.31
Total	249.47	146.33

* Others pertain to security deposits due and staff welfare fund.

23 Current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Other Provisions		
Provision for warranty	26.60	19.27
Total	26.60	19.27

24 Employee Benefit obligations - Current

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Employee Benefits		
Provisions for gratuity (refer note 35)	30.01	30.93
Provisions for pension (refer note 35)	23.74	-
Leave obligations (refer note 35)	47.83	50.98
Total	101.58	81.91

25 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities - advance from customers	150.15	209.30
Statutory tax payables	40.49	19.65
Total	190.64	228.95

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26 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers - at a point in time		
Sale of products	6,233.27	5,076.31
Sale of services	32.61	5.55
Other operating revenue		
Export incentives*	22.24	5.41
Sale of scrap	38.65	28.88
Total	6,326.77	5,116.15

* Export incentives include amounts received towards duty drawback on exports, RodTEP scheme and sales of scripts

Revenue from sale of products relates to sale of gear boxes and gear motors and from services comprise of contracts for maintenance of gear boxes while Premium Motion Private Limited is into manufacturing of Linear Actuators used in Solar trackers.

There are no unsatisfied long term contracts.

Reconciliation of revenue recognised with contract price

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contract Price	6,265.88	5,081.86
Adjustments for :		
Refund liabilities	-	-
Revenue from operations	6,265.88	5,081.86

27 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from financial assets at amortised cost	0.73	1.23
Net gain on disposal of property, plant and equipment	2.75	-
Net foreign exchange differences	6.42	-
Others*	4.73	5.36
Total	14.63	6.59

* Others include receipt towards other interests, insurance claims

28 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials at the beginning of the year	622.50	445.59
Add : Purchases	2,830.76	2,864.59
Less : Raw material at the end of the year	504.51	622.50
Total cost of materials consumed	2,948.75	2,687.68

29 Changes in inventories of work-in-progress and finished goods

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
Finished goods	127.30	165.70
Work-in-progress	292.41	183.81
Total opening balance	419.71	349.51
Closing balance		
Finished goods	111.51	127.30
Work-in-progress	288.99	292.41
Total closing balance	400.50	419.71
Total changes in inventories of work-in-progress and finished goods	19.21	(70.20)

Premium Transmission Private Limited
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30 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	588.27	573.41
Contribution to provident and other funds	29.38	27.36
Gratuity and pension (<i>refer note 35</i>)	11.38	9.54
Leave compensation	10.53	15.77
Staff welfare expenses	56.69	50.14
Total	696.25	676.22

31 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	153.79	157.45
Depreciation of right-of-use assets	10.16	10.28
Amortisation of intangible assets	5.98	4.21
Total	169.93	171.94

Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and consumables	112.99	99.77
Repairs and maintenance:	-	-
- Buildings	2.93	3.16
- Machinery	45.08	39.82
- Others	16.51	14.50
Communication expense	5.05	3.78
Water and electricity charges	106.73	101.06
Rental charges	0.40	0.30
Rates and taxes	82.67	3.70
Legal and professional charges	45.63	47.61
Travel and conveyance expenses	43.73	21.12
Insurance	19.15	18.05
Printing and stationery	4.65	2.58
Warranty expenses	18.55	11.18
Provision for doubtful debts	6.51	10.22
Bad debts written off	8.22	11.81
Less : Withdrawn from provision	(8.22)	(11.81)
Brokerage and Commission	0.15	0.25
Freight outward	61.95	59.29
Advertising and sales promotion	31.68	4.21
Corporate allocation cost	0.01	6.03
Sub-contracting charges	238.66	207.38
Research and development	21.61	21.61
Contractual labour charges	193.18	162.22
Watch and Ward expenses	22.96	22.45
Director's sitting fees and commission	14.84	7.76
Electronic data processing Charges	22.25	32.25
Corporate Social Responsibility expenditure	8.16	5.80
Payments to auditors (<i>refer note 32(a)</i>)	4.94	4.91
Bank charges	3.88	5.10
Net loss on foreign currency transaction and translation	-	5.68
Miscellaneous expenses	19.32	16.38
Total	1,154.17	928.38

32 (a) Details of payments to auditors

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
Statutory audit	2.88	2.88
Limited reviews and certifications	1.35	1.35
Tax audit	0.58	0.58
Other services	0.08	0.08
Out of pocket expenses reimbursed	0.05	0.02
Total	4.94	4.91

Premium Transmission Private Limited
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1 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest and finance charges on lease liability and financial liabilities not at fair value through profit or loss	13.93	30.60
Other borrowing costs*	0.77	2.28
Total	14.70	32.88

* Other borrowing costs includes bank guarantee.

2 Income tax expense

The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

Profit and Loss section	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	223.20	202.99
Prior year tax adjustments	(20.51)	28.63
Total current tax expense	202.69	231.62
Deferred tax	(9.24)	(7.39)
Total	193.45	224.23

Other comprehensive income section	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax related to items recognised in OCI during the year	(0.30)	3.33
Income tax (charged) / credited to OCI	(0.30)	3.33

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit from continuing operations before income tax expense	1,338.39	695.84
Loss from discontinued operation before income tax expense	(317.54)	(50.16)
	1,020.85	645.68
Applicable tax rate	25.17%	25.17%
Computed tax expense	256.93	162.50
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
- Expenses not allowable for tax purposes	7.66	1.46
- Impact of allowances/ disallowances for losses on liquidation of subsidiaries	(144.61)	-
- Tax losses for which no deferred income tax was recognised	111.58	22.58
- Difference in overseas tax rates	(21.86)	(1.87)
- Adjustments for current tax of prior periods	(20.51)	28.63
- Others	4.26	9.06
Income tax expense	193.45	224.23

Unrecognised deferred tax assets

Deferred tax assets on tax losses of the subsidiaries have not been recognised because it is not probable that future taxable profit will be available against which these can be utilised. These tax losses do not expire under the local tax legislation.

3 Employee benefit obligations

	As at 31 March 2023	As at 31 March 2022
Leave obligations (Refer Note A)	47.83	50.98
Current	47.83	50.98
Gratuity [Refer Note B (i)]	30.01	30.93
Current	30.01	30.93
Pension [Refer Note B (ii)]	23.74	30.34
Non-current	-	30.34
Current	23.74	-

A Leave obligations

The leave obligations for cover the Group's sick leave and earned leave.

The entire amount of the provision of INR 47.83 million (31 March 2022 – INR 50.98 million) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	As at 31 March 2023	As at 31 March 2022
Leave obligations not expected to be settled within the next 12 months	35.10	33.71

The significant assumptions are as follows:-

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.30%-7.40%	6.60%-6.70%
Salary growth rate	8.00%	8.00%
Attrition rate	16.00%	15.00%

B Post-employment obligations

(i) Gratuity

The Group has formed 'Premium Transmission Private Limited Employees Group Gratuity-Cum-Life Assurance scheme' to manage the gratuity obligations for Premium Transmission Private Limited and Premium Motion Private Limited. The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company - Life Insurance Corporation of India for Premium Transmission Private Limited and have outsourced the investment management of the fund to an insurance company - ICICI Prudential Life Insurance Company Limited for Premium Motion Private Limited. Every permanent employee is entitled to a benefit equivalent to 15/26 days of the last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group or retirement, whichever is earlier. The benefits vest after five years of continuous service. There is no compulsion on the part of the Group to fully pre fund the liability of the Plan. The Group's philosophy is to fund the benefits based on its own liquidity as well as level of under funding of the plan.

(ii) Pension benefits

The Group operates defined benefit pension plan in Germany. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service.

The Group does not fund the pension liability through any funds. The pension plan provides benefits in case of retirement, early retirement, disability and death (50 %). The contractual retirement age is the statutory normal retirement age. The waiting period is 5 years.

I The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

Particulars	Present value of obligation		Fair value of plan assets		Net amount	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
1 April 2022	95.96	30.34	(65.03)	-	30.93	30.34
Current service cost	9.96	-	-	-	9.96	-
Interest expense/(income)	5.63	0.53	(4.21)	-	1.42	0.53
Total amount recognised in Profit or Loss	15.59	0.53	(4.21)	-	11.38	0.53
Remeasurements						
- Returns on plan assets	-	-	(0.01)	-	(0.01)	-
- Gain from change in demographic assumptions	(2.19)	-	-	-	(2.19)	-
- Gain from change in financial assumptions	(1.41)	-	(0.13)	-	(1.54)	-
- Gain from remeasurements on obligation	-	(7.62)	-	-	-	(7.62)
- Experience (gains)/losses	3.02	-	(0.29)	-	2.73	-
Total amount recognised in Other Comprehensive Income	(0.58)	(7.62)	(0.43)	-	(1.01)	(7.62)
Exchange differences	-	1.25	-	-	-	1.25
Employer contributions/premiums paid	-	-	(11.47)	-	(11.47)	-
Benefit payments	(13.91)	(0.76)	13.91	-	-	(0.76)
Mortality charges and taxes	-	-	0.18	-	0.18	-
31 March 2023	97.06	23.74	(67.05)	-	30.01	23.74

Particulars	Present value of obligation		Fair value of plan assets		Net amount	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
1 April 2021	85.45	35.86	(69.59)	-	15.86	35.86
Current service cost	7.89	-	-	-	7.89	-
Interest expense/(income)	5.81	(0.33)	(4.16)	-	1.65	(0.33)
Total amount recognised in Profit or Loss	13.70	(0.33)	(4.16)	-	9.54	(0.33)
Remeasurements						
- Returns on plan assets	-	-	(0.60)	-	(0.60)	-
- Gain from change in demographic assumptions	(0.76)	-	-	-	(0.76)	-
- Loss from change in financial assumptions	5.66	-	-	-	5.66	-
- (Gain)/loss from remeasurements on obligation	-	(4.44)	-	-	-	(4.44)
- Experience (gains)/losses	8.93	(0.28)	-	-	8.93	(0.28)
Total amount recognised in Other Comprehensive Income	13.83	(4.72)	(0.60)	-	13.23	(4.72)
Exchange differences	-	(1.17)	-	-	-	(1.17)
Employer contributions/premiums paid	-	-	(7.85)	-	(7.85)	-
Benefit payments	(17.02)	0.70	17.02	-	-	0.70
Mortality charges and taxes	-	-	0.15	-	0.15	-
31 March 2022	95.96	30.34	(65.03)	-	30.93	30.34

II The net liability disclosed above relates to funded plans are as follows :

Particulars	As at 31 March 2023		As at 31 March 2022	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
Present value of funded obligation	97.06	23.74	95.96	30.34
Fair value of plan assets	(67.05)	-	(65.03)	-
Net liability position	30.01	23.74	30.93	30.34

III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at 31 March 2023		As at 31 March 2022	
	India - Gratuity	Germany - Pension	India - Gratuity	Germany - Pension
Discount rate	7.30%-7.40%	3.78%	6.60%-6.70%	1.79%
Salary growth rate*	8.00%	- NA -	8.00%	- NA -
Withdrawal rate*:				
Age upto 30 years	16.00%	- NA -	15.00%	- NA -
Age 30-40 years	16.00%	- NA -	15.00%	- NA -
Age 41-50 years	16.00%	- NA -	15.00%	- NA -
Age above 50 years	16.00%	- NA -	15.00%	- NA -
Mortality rate	IALM (2012-14) ult	Heubeck 2018 G	IALM (2012-14) ult	Heubeck 2018 G
Post retirement pension increase rate	- NA -	2.00%	- NA -	2.00%
Expected average remaining working lives of employees (in years)	5.57-5.99	5.11	5.82-6.15	5.46

*The pension plan is not dependent on the amount of salary pay-outs, for this reason no salary trend was applied in calculation of the defined obligation. As all entitlements are statutory vested, hence withdrawal rates has not been considered in calculations of the present value of the vested benefits.

IV Sensitivity analysis

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

(i) Gratuity - India

Assumption	Impact on defined benefit obligation	
	As at 31 March 2023	As at 31 March 2022
Discount rate		
1% decrease	2.92%	4.85%
1% increase	-2.72%	-4.46%
Salary increment rate		
1% decrease	-3.50%	-3.53%
1% increase	3.68%	3.74%
Withdrawal rate		
1% decrease	1.26%	0.61%
1% increase	-0.10%	-0.60%

(ii) Pension - Germany

Assumption	Impact on defined benefit obligation	
	As at 31 March 2023	As at 31 March 2022
Discount rate		
0.5% decrease	6.66%	8.12%
0.5% increase	-6.03%	-7.26%
Post retirement pension increase rate		
0.5% decrease	-5.61%	-6.55%
0.5% increase	6.10%	7.19%

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected future benefit payments:

Particulars	As at 31 March 2023	As at 31 March 2022
Between 1 year	18.32	22.68
Between 2 - 5 years	62.05	59.32
Between 6 - 10 years	64.38	68.73

V The major categories of plan assets are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Pooled assets with an insurance company	100%	100%

C Defined contribution plans

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for eligible employees at 12% of basic and dearness allowance as per regulations. The contributions are made to registered provident fund administered by the government in India. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The subsidiary in Germany has defined contribution plan for social security.

The expense recognised during the year ended 31 March 2023 towards defined contribution plan is Rs. 62.82 million (31 March 2022: Rs. 58.96 million).

D Risk Exposure

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

- i Asset Volatility :** All plan assets for gratuity are maintained in a trust managed by a public sector insurer. It has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- ii Changes in bond yields :** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plans' bond holdings.
- iii Life expectancy:** This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.
- iv Future salary increase and inflation risk:** Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.
- v Asset-Liability mismatch risk:** Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements. The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

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4 Fair value measurements

Financial assets and liabilities at amortised cost

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Financial assets</i>		
Trade receivables	1,500.46	1,445.52
Cash and cash equivalents	153.59	237.14
Security deposits	26.18	24.69
Others	2.37	6.87
Total financial assets	1,682.60	1,714.22
<i>Financial liabilities</i>		
Borrowings	23.59	494.73
Lease liabilities	50.20	72.21
Trade payable	797.06	913.06
Capital creditors	33.92	14.74
Dealer deposits	51.79	51.69
Payable to employees	237.84	120.63
Others	3.04	22.31
Total financial liabilities	1,197.44	1,689.37

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, security deposits, cash and cash equivalents, trade payables, customer deposits received, borrowings, capital creditors, payable to employees are considered to be the same as their fair values, due to their short-term nature. The non-current borrowings from banks are at market interest rate and are not materially different from their fair value.

5 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the company's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost and fair value through profit	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling Cash Flow Forecasts	Availability of committed credit lines and borrowing facilities
Market risk -Foreign Exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Management follows established risk management policy
Market risk -Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Management follows established risk management policy

The Group's activities exposes it to market risk, liquidity risk and credit risk.

A Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

(i) *Credit risk management*

For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Credit risk related to trade receivables arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly utilisation of credit limits is regularly monitored.

(ii) *Impairment of financial assets*

- Trade receivables
- Other financial assets (security deposits) carried at amortised cost

While cash and cash equivalents are also subject to impairment requirements under Ind-AS 109, there was no identified impairment loss.

Trade receivables

To measure the expected credit losses, trade receivables have been grouped based on days past due. The expected credit loss rates are based on the payment profiles of sales over a period of 48 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Loss allowance as at 31 March 2023 and 31 March 2022 was determined as follows trade receivables under the simplified approach:

As at 31 March 2023	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Gross carrying amount – trade receivables	1,432.98	37.72	49.72	7.24	40.35	1,568.01
Expected loss rate	0.00%	0.00%	52.54%	82.73%	87.83%	4.31%
Expected credit losses– trade receivables	-	-	26.12	5.99	35.44	67.55
Carrying amount of trade receivables	1,432.98	37.72	23.60	1.25	4.91	1,500.46

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As at 31 March 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Gross carrying amount – trade receivables	1,296.40	129.10	7.67	55.07	21.07	1,509.31
Expected loss rate	0.53%	0.73%	50.74%	71.91%	59.37%	4.23%
Expected credit losses– trade receivables	6.85	0.94	3.89	39.60	12.51	63.79
Carrying amount of trade receivables	1,289.55	128.16	3.78	15.47	8.56	1,445.52

Reconciliation of loss allowance provision - trade receivables

Particulars	Amount
Loss allowance as on 31 March 2021	(65.88)
Changes in loss allowance	1.59
Exchange difference	0.50
Loss allowance as on 31 March 2022	(63.79)
Changes in loss allowance	(1.71)
Exchange difference	(2.05)
Loss allowance as on 31 March 2023	(67.55)

Loans carried at amortised cost

All loan are considered to have a low credit risk, and the loss allowance recognised during the period was based on specific identification basis. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term which is generally based on past experience and any specific instances noted to the contrary.

Security Deposits

Credit risk on security deposits is limited as it given for leased premises and to Electricity Board for supply of electricity.

B Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

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

	As at 31 March 2023	As at 31 March 2022
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	1,100.00	949.54
- Expiring beyond one year (bank loans)	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of One year (31 March 2022 – One year).

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

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

As at 31 March 2023	Less than a year	1 - 3 years	More than 3 years
Borrowings	23.59	-	-
Lease liabilities	23.46	26.88	3.45
Trade payables	797.06	-	-
Other financial liabilities	249.47	77.19	-
Total	1,093.58	104.07	3.45

As at 31 March 2022	Less than a year	1 - 3 years	More than 3 years
Borrowings	472.50	22.22	-
Lease liabilities	25.63	44.03	8.05
Trade payables	913.07	-	-
Other financial liabilities	146.33	64.19	-
Total	1,557.53	130.44	8.05

C Market Risk

(i) Foreign currency risk

Currency risk means the risk that the result or economic situation of the Group changes due to changes in exchange rates. The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

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(a) *Foreign currency risk exposure:*

The Company's exposure to foreign currency risk at the end of reporting period in INR (millions), are as follows

Particulars	As at 31 March 2023				As at 31 March 2022			
	USD	EURO	GBP	RMB	USD	EURO	GBP	RMB
Financial assets								
Trade receivables	104.07	25.14	2.32	-	179.68	98.01	8.00	-
Net exposure to foreign currency	104.07	25.14	2.32	-	179.68	98.01	8.00	-
Financial liabilities								
Borrowings	-	23.52	-	-	-	111.12	-	-
Others	-	6.91	-	10.28	34.17	18.27	-	14.48
Net exposure to foreign currency	-	30.43	-	10.28	34.17	129.39	-	14.48

The sensitivity of profit or loss to changes in foreign exchange rates with respect to year end payable / receivable balances is as follows :

Particulars	Impact on profit	
	As at 31 March 2023	As at 31 March 2022
Increase by 5%*		
USD	5.20	7.28
EURO	(0.26)	(1.57)
GBP	0.12	0.40
RMB	(0.51)	(0.72)
Decrease by 5%*		
USD	(5.20)	(7.28)
EURO	0.26	1.57
GBP	(0.12)	(0.40)
RMB	0.51	0.72

*Holding all other variables constant

(ii) **Interest rate risk**

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During year ended 31 March 2023 and 31 March 2022, the Company's borrowings at variable rate were mainly denominated in INR and Euro.

Interest rate risk exposure

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

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	23.52	471.36
Weighted average interest rate	-	-
% to total loans	100%	95%
Variable rate borrowings with exposure to interest rate risk	23.52	471.36

A movement of 50 basis points in the interest rate will not have material impact on profit after tax.

6 Capital management

(a) **Risk Management**

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and -Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

*Net cash and bank balance/ (net debt) (total borrowings and lease liabilities net of cash and cash equivalents)
divided by
Total 'equity' (as shown in the balance sheet)*

The gearing ratios were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Net cash and bank balance/ (net debt)	79.80	(329.81)
Total equity	2,745.68	2,172.22
Net cash and bank balance/ (net debt) to equity ratio	2.91%	-15.18%

(b) **Dividends**

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Equity shares		
Final dividend for the year ended 31 March 2022 of Rs.4.00 (31 March 2021 - Rs.3.00) per fully paid share	90.00	67.50
Interim dividend for the year ended 31 March 2023 of Rs. 7.50 (31 March 2022 - Rs.4.50) per fully paid share	168.75	101.25
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs.5.00 (31 March 2022 - Rs. 4.00) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	112.50	90.00

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7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker.

The Group is into manufacturing of gear boxes, fluid coupling and geared motors which is considered as one reportable segment while Premium Motion Private Limited has entered into manufacturing of Linear Actuators used in Solar trackers. The Group has only one reportable operating segment.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognised:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	5,875.10	4,548.11
Germany	523.61	539.59
Rest of the world	354.79	547.31
Revenue from sale of product	6,753.50	5,635.01

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	1,511.35	1,153.16
Germany	42.91	86.87
	1,554.26	1,240.03

8 Interests in other entities

The details of group's subsidiaries at 31 March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interest held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business	Ownership interest held by the group	
		31 March 2023	31 March 2022
Premium Stephan Gmbh	Germany	100%	100%
Premium Motion Private Limited	India	100%	100%

Principal Business Activities: Premium Stephan Gmbh offers a wide range of products in the area of gear units, geared motors, fluid couplings and lift machines while Premium Motion Private Limited has entered into manufacturing of Linear Actuators used in Solar Trackers.

9 Related party transactions

A) Name of the related parties and nature of relationship

(i) Where control exists :

Parent entities
Karun Carpets Private Limited

(ii) Other related parties with whom transactions have taken place

Interests in subsidiaries are set out in note 40

Entities in which KMP exercise significant influence	
1	EICL Limited (India)
2	Greaves Cotton Limited (India)
3	DBH Consulting Limited (United Kingdom)
4	Aravali Sports and Cultural Foundation (India)
Entities which exercise significant influence on the Company	
1	DBH Mauritius Limited (Mauritius)
Key Management Personnel	
1	Mr. Karan Thapar – Chairman
2	Mr. Neeraj Bisaria – Managing Director and Chief Executive Officer

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I	Key management personnel compensation	As at	As at
		31 March 2023	31 March 2022
	Short term employee benefits	29.07	24.08
	Post-employment benefits	1.80	1.10
	Total	30.87	25.18

II	Transactions with related parties	As at	As at
		31 March 2023	31 March 2022
	Sale of goods and Services		
1	Greaves Cotton Limited	0.21	0.53
2	Melior Motion GmbH	-	0.81
	Purchase of goods		
1	Greaves Cotton Limited	-	0.16
2	EICL Limited	-	6.57
	Receipt of services and other charges		
1	Greaves Cotton Limited	0.05	-
2	DBH Consulting Limited	2.41	2.45
3	Melior Motion GmbH	-	2.91
	Donations made		
1	Aravali Sports and Cultural Foundation	1.00	1.00
	Dividend Paid		
1	DBH Mauritius Limited	76.19	49.69
2	Karun Carpets Private limited	182.56	119.06

III	Outstanding balances from sale/purchases of goods	As at	As at
		31 March 2023	31 March 2022
	Trade Payables		
1	Greaves Cotton Limited	0.02	0.06
2	EICL Limited	1.23	1.39
3	DBH Consulting Limited	-	0.63
	Total trade payables from related parties (refer note 21)	1.25	2.08
IV	Outstanding balances from sale/purchases of goods	As at	As at
		31 March 2023	31 March 2022
	Trade Receivables		
1	Greaves Cotton Limited	0.07	0.48
	Total receivables from related parties (refer note 10)	0.07	0.48

- B) (1) Transactions related to dividends were on the same terms and conditions that applied to other shareholders.
(2) Goods were sold to fellow subsidiaries during the year based on the price lists inforce and terms that would be available to third parties.
(3) All other transactions were made on normal commercial terms and conditions and at market rate.
(4) All outstanding balances are unsecured and repayable at cash.

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(All amounts are in Rupees millions, unless stated otherwise)

10 Contingent Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the Group not acknowledged as debts:		
- Central sales tax and VAT liability that may arise in respect of matters in appeal	3.34	40.61
- Excise duty liability that may arise in respect of matters in appeal	34.46	34.46
- Income tax liability that may arise in respect of matters in appeal (exclude interest and penalty to the extent not known)	36.79	32.78
Total	74.59	107.85

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

11 Capital Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	184.24	261.21

12 Earning per share

Particulars	As at 31 March 2023	As at 31 March 2022
Profit from continuing operations attributable to the equity holders of the company	1,144.94	471.61
Loss from discontinued operations attributable to the equity holders of the company	(317.54)	(50.16)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	22.50	22.50
Basic and Diluted earning per share from continuing operations	50.89	20.96
Basic and Diluted loss per share from discontinued operations	(14.11)	(2.23)
Total basic and diluted earnings per share attributable to the equity holders of the company	36.77	18.73

45 Assets pledged as security

The carrying amounts of assets pledged as security for current and non - current borrowings are

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Financial Assets		
First Charge		
Receivables	1,414.85	1,135.97
Inventories	954.79	688.00
Floating Charge		
Receivables	1,414.85	1,135.97
Inventories	954.79	688.00
Total current assets pledged as security	2,369.64	1,823.97
Non Current		
First Charge		
Plant and Equipment	495.77	453.65
Vehicles	19.15	2.21
Total non current assets pledged as security	514.92	455.86
Total assets pledged as security	2,884.56	2,279.83

Premium Transmission Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees millions, unless stated otherwise)

46 Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Premium Transmission Private Limited								
March 31, 2023	105.30%	2,891.31	85.04%	703.62	18.52%	0.89	84.66%	704.51
March 31, 2022	112.58%	2,445.54	80.17%	337.85	114.54%	(9.91)	79.44%	327.94
Subsidiaries								
Indian								
Premium Motion Private Limited								
March 31, 2023	-1.68%	(46.10)	-5.73%	(47.37)	1.46%	0.07	-5.68%	(47.30)
March 31, 2022	0.06%	1.20	-4.22%	(17.78)	0.12%	(0.01)	-4.31%	(17.79)
Foreign								
Premium Stephan GmbH								
March 31, 2023	-19.98%	(548.71)	-40.15%	(332.23)	158.39%	7.62	-39.01%	(324.61)
March 31, 2022	-8.80%	(191.20)	-17.21%	(72.54)	-54.51%	4.72	-16.43%	(67.82)
Sub Total								
March 31, 2023	83.64%	2,296.50	39.16%	324.02	178.37%	8.58	39.97%	332.60
March 31, 2022	103.84%	2,255.54	58.73%	247.53	60.15%	(5.20)	58.70%	242.33
Intercompany elimination and consolidation adjustments								
March 31, 2023	16.36%	449.18	60.84%	503.38	-78.37%	(3.77)	60.03%	499.61
March 31, 2022	-3.84%	(83.32)	41.27%	173.92	39.85%	(3.45)	41.30%	170.47
Grand Total								
March 31, 2023	100.00%	2,745.68	72.27%	827.40	100.00%	4.81	100.00%	832.21
March 31, 2022	100.00%	2,172.22	89.36%	421.45	100.00%	(8.65)	100.00%	412.80

Premium Transmission Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees millions, unless stated otherwise)

47 Discontinued operation

(a) Description

Premium Stephan GmbH is a wholly owned subsidiary; and has been, in the past, engaged in the manufacture and trading of gear units, geared motors and fluid couplings. Owing to sustained losses and basis an operational and financial evaluation undertaken by the management, it was resolved to liquidate Premium Stephan GmbH and accordingly an application for liquidation has been filed in Germany w.e.f. 31 January 2023.

The subsidiary is under liquidation process and has been reported as a discontinued operation. Financial information relating to the discontinued operation for the year is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended 31 March 2023 and the year ended 31 March 2022.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total income	524.35	560.69
Expenses	841.89	610.85
Loss before tax	(317.54)	(50.16)
Income tax expense	-	-
Loss from discontinued operation*	(317.54)	(50.16)
Exchange differences on translation of foreign operation	(3.52)	(3.47)
Re-measurement of post employment benefit plans	7.62	4.72
Other comprehensive income from discontinued operations	(313.44)	(48.91)
Net cash inflow/ (outflow) from operating activities	348.66	(55.76)
Net cash outflow from investing activities	(4.18)	(8.95)
Net cash inflow/ (outflow) from financing activities	(293.96)	12.80
Net increase/ (decrease) in cash and cash equivalents from discontinued operation	50.52	(51.91)

* The entire amount is attributable to equity holders of the company

(c) Assets classified as held for sale

The following assets were reclassified as held for sale in relation to the discontinued operation as at 31 March 2023:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Assets classified as held for sale		
Property, plant and equipment	13.26	-
Total assets held for sale	13.26	-

Premium Transmission Private Limited
Notes to consolidated financial statements

(All amounts are in Rupees millions, unless stated otherwise)

48 Additional regulatory information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

The group has borrowings from banks on the basis of security of current assets. The quarterly statements of current assets filed by the group with banks are in agreement with the books of accounts.

(iii) Wilful defaulter

None of the entity's in the group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the group

The title deeds of all the immovable properties (other than properties where the group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 4(a) to the consolidated financial statements, are held in the name of the group.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks

The borrowings obtained by the group from banks have been applied for the purposes for which such loans were taken.

For Price Waterhouse Chartered Accountants LLP

**For and on behalf of the Board of Directors of
Premium Transmission Private Limited**

Vivian Pillai
Partner
Membership No.: 127791

Neeraj Bisaria
Managing Director &
Chief Executive Officer
DIN: 02833292

Raja Venkataraman
Director
DIN: 00669376

Kaustubh Roplekar
Chief Financial Officer

Nisha Sakaria
CHRO &
Company Secretary - Legal

Place:
Date: May 10, 2023

Place:
Date: May 10, 2023

Premium Transmission Private Limited

Notes to consolidated financial statements

1. General Information

Premium Transmission Private Limited (the ‘Company’) along with its subsidiaries (together referred to as the “Group”), is primarily engaged in the business of manufacturing and selling of gear boxes, fluid coupling and geared motors. The Group has its manufacturing plant in India and Germany and sells its products in India, Germany as well as in various other global markets.

2. Basis of preparation and summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements have been prepared on historical cost basis, except for the following:

- certain financial assets and liabilities
- defined benefit plans – plan assets measured at fair value

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2. Summary of significant accounting policies

a) Principles of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Premium Transmission Private Limited
Notes to consolidated financial statements

b) Segment reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Group has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD) of the parent entity, based on its internal reporting structure and functions of the BoD. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

c) Foreign currency transactions

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Premium Transmission Private Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss.

Foreign exchange differences arising on foreign currency borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the balance sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized in other comprehensive income.

Premium Transmission Private Limited
Notes to consolidated financial statements

d) Revenue recognition

The Group accounts for a contract with its customer when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group identifies distinct performance obligations in each contract. The supply of goods, although homogenous in nature do not have the same pattern of transfer to the customer as it does not meet the conditions of performance obligations satisfied over time. Hence, each product is a distinct performance obligation. However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises, in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The contracts entered into by the Group generally have a single performance obligation

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

- (i) The customer simultaneously consumes the benefits as the Group performs, or
- (ii) The customer controls the work-in-progress, or
- (iii) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date.

If none of the criteria above are met, the Group recognizes revenue at a point-in-time.

The contracts entered into by the company generally have a single performance obligation. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time when control has been transferred.

The Group estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

The Group reduces consideration paid (or expected to be paid) to a customer from the transaction price unless the payment is made in exchange for a distinct good or service that the customer transfers to the Group.

In case of sale of products, revenue is recognised at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

Premium Transmission Private Limited
Notes to consolidated financial statements

e) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiary where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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Notes to consolidated financial statements

g) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments –

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following –

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

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Notes to consolidated financial statements

h) Impairment of assets

Non-financial assets, other than goodwill, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i) Cash and cash equivalents

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

j) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

k) Inventories

Raw materials and stores, work-in-progress and finished goods

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is 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.

l) Investments and other financial assets

i) Classification

The Group classifies its financial assets in the following categories:

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

Premium Transmission Private Limited

Notes to consolidated financial statements

- Those to be measured at amortized cost.

The classification is done depending upon the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

ii) Recognition

Financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument

iii) Measurement

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

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follows:

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

iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v) Derecognition of financial assets

A financial asset is derecognised only when

- Group has transferred the rights to receive cash flows from the financial asset.

Premium Transmission Private Limited

Notes to consolidated financial statements

- Retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

vi) Income recognition

Interest income

Interest income from financial assets at amortised cost is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

m) Offsetting financial instruments

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

n) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Premium Transmission Private Limited
Notes to consolidated financial statements

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the costs of the assets, net of their residual value over their estimated useful lives

Assets	Useful life
Building	5-30 years
Plant & Machinery	1-20 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years
Computers	3-6 years

The useful lives have been based on technical evaluation done by the Management's expert which are higher than those specified in Schedule II of the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values of the assets are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

o) Intangible assets

Acquired Intangible Assets

Intangible Assets are stated at acquisition cost less accumulated amortization and impairment losses, if any. Amortization period and amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows:

Assets	Useful life
Software	3-5 years

Premium Transmission Private Limited
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Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset, when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale
- Management intends to complete the asset and use or sell it
- There is an ability to use or sell the asset.
- It can be demonstrated how the asset will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
- The expenditure attributable to software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the asset include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

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r) Borrowing Costs

Borrowing Costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

s) Provisions

Provisions for service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at undiscounted amounts, since the impact of discounting is not material.

t) Employee benefits

I) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

II) Other long-term employee benefit obligations

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

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III) Post-employment obligations

The Group operates following post-employment schemes:

- defined benefit plans such as gratuity and pension; and
- defined contribution plans such as provident funds

Pension and gratuity obligations

The Group provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in India in accordance with the Payment of Gratuity Act, 1972 of India. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment.

The Group provides for pension, a defined benefit plan, covering eligible employees in Germany in accordance with a Company payment scheme from 1975. The Group’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Provident Fund

The Group pays Provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

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Superannuation

Contributions in respect of employees covered under the scheme are made to the Life Insurance Corporation of India at applicable rates, the Group's contribution is recognised in statement of Profit and Loss on accrual basis.

Termination Benefits

Termination benefits are payable when employment is terminated by the Group before normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates

- (i) When the Group can no longer withdraw the offer of those benefits: and
- (ii) When the Group recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits

In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

u) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

w) Earnings per share

(i) Basic earnings per share is calculated by dividing

- dividing the profit or loss attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- the after tax effect of interest and other financing costs associated with dilutive potential equity shares, and

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- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

x) Non-Current assets (or disposal groups) held for sale

Non-Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-Current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS.

Once the assets are classified as “Held for sale”, those are not subjected to depreciation till disposal. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and that represents a separate line of business or geographical area of operations, is part of single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit and loss.

See Note 14 - Discontinued operation for further details.

y) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirements of Schedule III, unless otherwise stated.

z) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. Below is a summary of such amendments:

Title	Key requirements
Disclosure of Accounting Policies- Amendments to Ind AS 1, Presentation of financial statements	The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information

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	does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
Definition of Accounting Estimates- Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors	The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
Deferred tax related to assets and liabilities arising from a single transaction- Amendments to Ind AS 12, Income taxes	The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

3. Critical estimates and significant judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgements in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items, which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates and judgements are:

A. Significant judgements

(i) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of office spaces, the following factors are normally the most relevant –

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

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Most extension options in premises leases have not been included in the lease liability, because the contract does not give the Group a sole right to extend the lease but the same is subject to mutual consideration between the lessor and the Group.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee.

(ii) Legal contingencies

The Group has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of suit or a formal assertion of a claim against the Company or the disclosure of any suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

B. Critical estimates

(i) Estimation of defined benefit obligation

The costs, assets and liabilities of the defined benefit schemes operated by the Group are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions and the sensitivity of the net assets/liability position to changes in those key assumptions are set out in note 35. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the statement of profit and loss and the balance sheet for the periods under review.

(ii) Impairment of trade receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 37.