

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF LANDMARK CARS (EAST) PRIVATE
LIMITED**

**Report on the Audit of the Special Purpose Condensed Interim Financial
Statements**

1. Opinion

We have audited the accompanying Special Purpose Condensed Interim Financial Statements of **LANDMARK CARS (EAST) PRIVATE LIMITED** (the "Company"), which comprise the Condensed Balance Sheet as at June 30, 2022, the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the three months ended on that date and selected explanatory information (hereinafter referred to as the "Special Purpose Condensed Interim Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Condensed Interim Financial Statements is prepared, in all material respects, in accordance with the basis set out in note 2 to the Special Purpose Condensed Interim Financial Statements.

2. Basis for Opinion

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



3. Emphasis of Matter- Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the Special Purpose Condensed Interim Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Condensed Interim Financial Statements have been prepared by the Company in connection with the proposed initial public offering of Landmark Cars Limited (the "Parent"). As a result, the Special Purpose Condensed Interim Financial Statements may not be suitable for any another purpose. The Special Purpose Condensed Interim Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of proposed initial public offering of the Parent and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

4. Responsibilities of Management and Those Charged with Governance for the Special Purpose Condensed Interim Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Condensed Interim 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 basis stated in Note 2 to the Special Purpose Condensed Interim Financial Statements for the purpose set out in paragraph 3 above.

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 Special Purpose Condensed Interim Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Condensed Interim Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



5. Auditor's Responsibilities for the Audit of the Special Purpose Condensed Interim Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Special Purpose Condensed Interim Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Condensed Interim Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Special Purpose Condensed Interim Financial Statements, including the disclosures, and whether the Special Purpose Condensed Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)



Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)
UDIN: 22106189AZFUML5232

Place: Ahmedabad
Date: October 1, 2022

LANDMARK CARS (EAST) PRIVATE LIMITED
CIN : U50404GJ2013PTCD73332
SPECIAL PURPOSE CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2022
(All amount in INR Millions unless otherwise stated)

Particulars	As at June 30, 2022
ASSETS	
Non-current assets	
Property, plant and equipment	383.35
Right-of-use assets	167.06
Capital Work-in-Progress	5.52
Goodwill	60.00
Financial assets	
Other financial assets	7.19
Deferred tax assets	12.32
Total non-current assets	635.44
Current assets	
Inventories	193.81
Financial assets	
Trade receivables	22.02
Cash and cash equivalents	6.29
Other balances with banks	4.91
Loans	0.03
Other financial assets	8.79
Other current assets	2.55
Total current assets	238.40
Total assets	873.84
EQUITY AND LIABILITIES	
EQUITY	
Equity share capital	10.00
Other equity	85.68
Total equity	95.68
LIABILITIES	
Non-current liabilities	
Financial liabilities	
Borrowings	136.96
Lease liabilities	153.12
Other non-current liabilities	20.27
Total non-current liabilities	310.35
Current liabilities	
Financial liabilities	
Borrowings	143.44
Vehicle floor plan payable	138.99
Lease liabilities	11.54
Trade payables	
(i) total outstanding dues of micro enterprises and small enterprises	0.35
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	63.69
Other financial liabilities	32.62
Other current liabilities	74.79
Current tax liabilities (net)	2.39
Total current liabilities	467.81
Total liabilities	778.16
Total equity and liabilities	873.84

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Kartikeya Raval
Partner

Place : Ahmedabad
Date : October 1, 2022



For and on behalf of Board of Directors

Sanjay Thakker
Sanjay Thakker
Director
DIN: 00156093

Paras Somani
Paras Somani
Director
DIN: 02742256

Place : Mumbai
Date : October 1, 2022

Place : Mumbai
Date : October 1, 2022

LANDMARK CARS (EAST) PRIVATE LIMITED

CIN : U50404GJ2013PTC073332

SPECIAL PURPOSE CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE THREE MONTHS

ENDED JUNE 30, 2022

(All amount in INR Millions unless otherwise stated)

Particulars	For the three months ended June 30, 2022
Income	
Revenue from operations	157.19
Other income	0.48
Total Income	157.67
Expenses	
Purchase of cars, spares and others	125.58
Changes in inventories of stock-in-trade	(60.08)
Employee benefits expense	18.34
Finance costs	10.89
Depreciation and amortisation expense	9.75
Other expenses	26.50
Total expenses	130.98
Profit before tax	26.69
Tax expense	
Current tax	4.43
Deferred tax	3.08
Total tax expense	7.51
Profit for the period	19.18
Other comprehensive income	
Items that will not be subsequently reclassified to profit and loss	
Remeasurement gain of defined benefit plans	0.11
Less: Income tax impact on above	(0.03)
Other comprehensive income for the period	0.08
Total Comprehensive Income for the period	19.26
Earnings per Equity Share (face value of ₹ 10 each)	
Basic (In ₹) (not annualised)	19.18
Diluted (In ₹) (not annualised)	19.18

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner



Place : Ahmedabad
Date : October 1, 2022

For and on behalf of Board of Directors

Sanjay Thakker
Sanjay Thakker
Director
DIN: 00156093

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Date : October 1, 2022

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LANDMARK CARS (EAST) PRIVATE LIMITED

CIN : U50404GJ2013PTC073332

SPECIAL PURPOSE CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED JUNE 30, 2022

(All amount in INR Millions unless otherwise stated)

Particulars	For three months ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	26.69
Adjustments for:	
Depreciation and amortisation expense	9.75
Finance costs	10.89
Interest income	(0.10)
Bad debts written off	0.29
Excess provision written back	(0.02)
Gain on termination of lease	(0.02)
Operating Profit Before Working Capital Changes	47.48
Adjustments for:	
Increase in Inventories	(60.08)
Increase in trade receivables	(2.53)
Increase in financial assets	(8.95)
Increase in other assets	(0.32)
Increase in vehicle floor plan	40.65
Increase in trade payables	0.90
Decrease in other liabilities	(21.48)
Cash Used in Operations	(4.33)
Direct taxes refund (net)	0.20
Net Cash flows used in Operating Activities	(4.13)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment (Including Capital Work-in-progress, capital advances and capital creditors)	(5.25)
Interest received	0.04
Net Cash flows used in Investing Activities	(5.21)
CASH FLOWS FROM FINANCING ACTIVITIES	
Finance costs paid	(8.71)
Repayment of long-term borrowings	(4.06)
Proceeds from short-term borrowings	28.32
Repayment of lease liabilities	(2.86)
Net Cash flows generated from financing activities	12.69
Net Increase in Cash and Cash equivalents	3.35
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2.94
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.29

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Kartikeya Raval
Partner

Place : Ahmedabad
Date : October 1, 2022



For and on behalf of Board of Directors

Sanjay Thakker
Sanjay Thakker
Director
DIN: 00156093

Place : Mumbai
Date : October 1, 2022

Paras Somani
Paras Somani
Director
DIN: 02742256

Place : Mumbai
Date : October 1, 2022

LANDMARK CARS (EAST) PRIVATE LIMITED

CIN : U50404GJ2013PTC073332

SPECIAL PURPOSE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED JUNE 30, 2022

(All amount in INR Millions unless otherwise stated)

A Equity Share Capital

Particulars	No. of shares	Amount
Balance as at April 1, 2022	10,00,000	10.00
Issued during the period	-	-
Balance as at June 30, 2022	10,00,000	10.00

B Other Equity

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at April 1, 2022	66.42	66.42
Profit for the period	19.18	19.18
Add: Other comprehensive Income for the period, net of tax		
Remeasurement gain of defined benefit plans	0.08	0.08
Balance as at June 30, 2022	85.68	85.68

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

Place : Ahmedabad
Date : October 1, 2022



For and on behalf of Board of Directors

Sanjay Thakker
Sanjay Thakker
Director
DIN: 00156093

Place : Mumbai
Date : October 1, 2022

Paras Somani

Paras Somani
Director
DIN: 02742256

Place : Mumbai
Date : October 1, 2022

LANDMARK CARS (EAST) PRIVATE LIMITED

CIN : U50404GJ2013PTC079332

NOTES TO THE SPECIAL PURPOSE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2022

(All amount in INR Millions unless otherwise stated)

1 Company overview

Landmark Cars (East) Private Limited ("The Company") is a private company incorporated on January 10, 2013 under the Indian Companies Act, 1956. The Company is the authorized dealer for Mercedes-Benz passenger car for the state of West Bengal. The Company is subsidiary of Landmark Cars Limited which is the authorized dealer for Mercedes-Benz passenger car for the state of Kolkata.

The Company is engaged in the business of (i) operation of showrooms to buy and sell automobiles of a single brand "Mercedes-Benz" (ii) the operation of workshops and garages to repair and service the automobiles (iii) direct selling agency/marketing agency on behalf of inter alia banks and non-banking financial companies to market their financing schemes to customers (iv) selling of accessories provided by Mercedes-Benz India Private Limited (v) the insurance commission business in connection with (i) and (ii).

With effect from October 1, 2021, the dealership agreement of the Company with Mercedes-Benz India Private Limited materially changed and converted to an agency model whereby all car sales will now be made directly to customers by Mercedes-Benz. Under this agency model, the Company will no longer purchase cars from Mercedes-Benz and re-sell them to the customers. Rather, customers will now place orders through the Company directly to Mercedes-Benz and the company will earn commission on each sale of Mercedes-Benz.

2 Basis of preparation

The Special Purpose Condensed Interim Financial Statements of the Company presented herein reflect the Company's results of operations, assets and liabilities, statement of changes in equity and cash flows as at and for the three months ended June 30, 2022.

The Special Purpose Condensed Interim Financial Statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies, Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. The accounting policies followed in preparation of Special Purpose Condensed Interim Financial Statements are consistent with those followed in preparation of Financial Statement as at and for the year ended March 31, 2022 of the Company. The Special Purpose Condensed Interim Financial Statement do not include the comparative financial information and disclosures.

These Special Purpose Condensed Interim Financial Statements has been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Further, these Special Purpose Condensed Interim Financial Statements is not a complete set of financial statements of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act.

3 Contingent Liabilities

Particulars	As at June 30, 2022
Contingent Liabilities	
Matters with GST authorities	0.34

Contingent liabilities includes demand and show cause notices received from tax authorities for various matters including mismatch in input tax credit, non-submission of different forms and disallowances of expenses. The Group has preferred appeals on these matters and the same are pending with various appellate authorities.

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities. The management is of the view that no liability shall arise on the group for the above matters. The amount assessed as contingent liabilities do not include interest and penalties

4 Segment Reporting

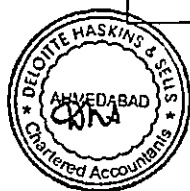
The primary reporting of the Company has been made on the basis of Business Segments. The Company has a single business segment as defined in Indian Accounting Standard (Ind AS) 108 on Segment Reporting, namely dealership of cars in India. The Director of the Company allocates resources and assess the performance of the Company, thus are the chief operating decision maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

5 Disaggregation of revenue

Particulars	For the three months ended June 30, 2022
Sale of cars	18.08
Commission income	33.36
Sale of spares, lubricants and others	66.51
Sale of services	28.68
Revenue from sale of products and services	146.63
Other operating revenues	10.56
	157.19

Other operating revenue includes:

Particulars	For the three months ended June 30, 2022
Finance Commission	1.01
Insurance commission	1.80
Commission on Pre-owned cars sold	0.12
Income from schemes and incentives	0.98
Extended Warranty and Road Side Assistance Income	6.39
Others	0.26
	10.56



LANDMARK CARS (EAST) PRIVATE LIMITED

CIN : U50404GJ2013PTC073332

NOTES TO THE SPECIAL PURPOSE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2022

(All amount in INR Millions unless otherwise stated)

6 Related party transactions

Name of the Parties and its relationships

Sr. No.	Description of Relationship	Name of Related Parties
a.	Parent	Landmark Cars Limited (Formerly known as Landmark Cars Private Limited)
b.	Enterprise over which key management personnel are able to exercise significant influence and control	Wild Dreams Media and Communications Private Limited
c.	Fellow Subsidiaries - Subsidiaries of Landmark Cars Limited	Watermark Cars Private Limited
d.	Key Management Personnel	Mr. Sanjay K Thakker Mrs. Ami S Thakker (Up to November 20, 2020) Mr. Aryaman S Thakker (w.e.f November 18, 2020) Mr. Paras Somani Mr. Mahesh P Sarda (w.e.f March 31, 2022) Mr. Sanit R Patel (w.e.f March 31, 2022)

DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT JUNE 30, 2022

Sr.No.	RELATED PARTY TRANSACTIONS SUMMARY	For the Period ended
		June 30, 2022
	Part 1 : Transactions during the year	
1	Sale of Goods Landmark Cars Limited	0.31
2	Purchase of Goods Watermark Cars Private Limited Landmark Cars Limited	0.15 1.52
3	Extended Warranty Expenses Watermark Cars Private Limited	2.78
4	Interest paid Landmark Cars Limited	2.18
5	Loans taken Landmark Cars Limited	131.70
6	Loans repaid Landmark Cars Limited	103.40
7	Manpower Support Service Expenses Landmark Cars Limited	0.67

Sr.No.	Part 2 : Balance at the end of the year	June 30, 2022
1	Trade payables Landmark Cars Limited Watermark Cars Private Limited	2.04 0.05
2	Borrowings Landmark Cars Limited	126.10
3	Interest Payable Landmark Cars Limited	2.18
4	Trade receivable Landmark Cars Limited	0.13



LANDMARK CARS (EAST) PRIVATE LIMITED

CIN : U50404GJ2013PTC073332

NOTES TO THE SPECIAL PURPOSE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2022


(All amount in INR Millions unless otherwise stated)

- 7 The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of October 1, 2022 there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

- 8 The Special purpose condensed interim financial statements are approved for issue by the Audit Committee and the Board of Directors at their meeting conducted on October 1, 2022.

For and on behalf of Board of Directors




Sanjay Thakker
Director
DIN: 00156093


Paras Somanl
Director
DIN: 02742256

Place : Mumbai

Place : Mumbai

Date : October 1, 2022

Date : October 1, 2022