

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF WATERMARK CARS 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 **WATERMARK CARS 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.



**Deloitte  
Haskins & Sells LLP**

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 LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

*Kartikeya Raval*

**Kartikeya Raval**  
Partner  
(Membership No. 106189)  
UDIN:22106189AZFQYZ9827



Place: Ahmedabad  
Date: October 1, 2022

WATERMARK CARS PRIVATE LIMITED  
CIN: U50500GJ2016PTC094392  
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
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	3.43
Right-of-use assets	73.01
Capital Work-in-Progress	8.15
<b>Financial assets</b>	
Other financial assets	2.98
Deferred tax assets	24.15
Other non-current assets	11.03
<b>Total non-current assets</b>	<b>122.75</b>
<b>Current assets</b>	
Inventories	91.40
<b>Financial assets</b>	
Trade receivables	22.75
Cash and cash equivalents	3.06
Other balances with banks	25.00
Other financial assets	4.63
Current tax assets (net)	1.86
Other current assets	5.59
<b>Total current assets</b>	<b>154.29</b>
<b>Total assets</b>	<b>277.04</b>
<b>EQUITY AND LIABILITIES</b>	
<b>EQUITY</b>	
Equity share capital	10.00
Other equity	(110.39)
<b>Total equity attributable to equity holders of the Company</b>	<b>(100.39)</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	99.69
Lease liabilities	60.14
<b>Total non-current liabilities</b>	<b>159.83</b>
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	149.06
Lease liabilities	13.79
Trade payables	
(i) total outstanding dues of micro enterprises and small enterprises	0.58
(ii) total outstanding dues of creditors other than micro enterprises and small	11.41
Other financial liabilities	3.25
Other current liabilities	39.51
<b>Total current liabilities</b>	<b>217.60</b>
<b>Total liabilities</b>	<b>377.43</b>
<b>Total equity and liabilities</b>	<b>277.04</b>

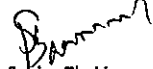
In terms of our report attached

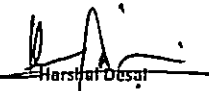
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
  
Kartikeya Raval  
Partner

Place : Ahmedabad  
Date : October 1, 2022



For and on behalf of the Board of Directors

  
Sanjay Thakker  
Director  
DIN No: 00156093

  
Harshad Desai  
Director  
DIN No: 08958940

Place : Mumbai  
Date : October 1, 2022

Place : Mumbai  
Date : October 1, 2022

**WATERMARK CARS PRIVATE LIMITED**

CIN: U50500GJ2016PTC094392

**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 period ended June 30, 2022
<b>Income</b>	
Revenue from operations	166.41
Other income	0.24
<b>Total Income</b>	<b>166.65</b>
<b>Expenses</b>	
Purchase of cars, spares and others	171.82
Changes in inventories of stock-in-trade	(43.92)
Employee benefits expense	17.44
Finance costs	6.37
Depreciation and amortisation expense	0.98
Other expenses	2.23
<b>Total expenses</b>	<b>154.92</b>
<b>Profit before tax</b>	<b>11.73</b>
<b>Tax expense</b>	
Current tax	-
Deferred tax	(24.15)
<b>Total tax expense</b>	<b>(24.15)</b>
<b>Profit for the period</b>	<b>35.88</b>
<b>Other comprehensive income</b>	
<b>Items that will not be subsequently reclassified to profit and loss</b>	
Remeasurement loss of defined benefit plans	(0.01)
Less: Income tax impact on above	-
<b>Other comprehensive Loss for the period</b>	<b>(0.01)</b>
<b>Total Comprehensive Income for the period</b>	<b>35.87</b>
<b>Earnings per Equity Share (face value of ₹ 10 each)</b>	
Basic (In ₹) (not annualised)	35.88
Diluted (In ₹) (not annualised)	35.88

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Kartikeya Raval*

Kartikeya Raval  
Partner



Place : Ahmedabad  
Date : October 1, 2022

For and on behalf of the Board of Directors

*Sanjay Thakker*  
Sanjay Thakker  
Director  
DIN No: 00156093

Place : Mumbai  
Date : October 1, 2022

*Harshal Desai*  
Harshal Desai  
Director  
DIN No: 08958940

Place : Mumbai  
Date : October 1, 2022

**WATERMARK CARS PRIVATE LIMITED**

CIN: U50500GJ2016PTC094392

**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 the three months period ended June 30, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit before tax	11.73
Adjustments for:	
Depreciation and amortisation expense	0.98
Finance costs	6.37
Interest income	(0.19)
Sundry balances written back (Net)	(0.05)
<b>Operating Profit Before Working Capital Changes</b>	<b>18.84</b>
Adjustments for:	
Increase in Inventories	(43.92)
Increase in trade receivables	(12.28)
Increase in financial assets	(2.25)
Decrease in other assets	15.48
Increase in vehicle floor plan	2.80
Increase in other liabilities	34.79
<b>Cash Generated From Operations</b>	<b>13.46</b>
Direct taxes paid (net)	(0.39)
<b>Net Cash flows generated from Operating Activities</b>	<b>13.07</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment (Including Capital Work-In-progress and capital creditors)	(4.40)
Deposits with bank	(25.00)
Interest received	0.14
<b>Net Cash flows used in Investing Activities</b>	<b>(29.26)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Finance costs paid	(2.76)
Repayment of current borrowings (Net)	(11.81)
Proceeds from short-term borrowings	33.94
Repayment of lease liabilities	(0.95)
<b>Net Cash flows generated from financing activities</b>	<b>18.42</b>
<b>Net Increase in Cash and Cash equivalents</b>	<b>2.23</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>0.83</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3.06</b>

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Kartikeya Raval*  
Kartikeya Raval  
Partner

Place : Ahmedabd  
Date : October 1, 2022



For and on behalf of the Board of Directors

*Sanjay Thakker*  
Sanjay Thakker  
Director  
DIN No: 00156093

Place : Mumbai  
Date : October 1, 2022

*Harshal Desai*  
Harshal Desai  
Director  
DIN No: 08958940

Place : Mumbai  
Date : October 1, 2022

WATERMARK CARS PRIVATE LIMITED

CIN: U50500GJ2016PTC094392

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	Deemed Equity Contribution	Total
	Retained Earnings		
Balance as at April 1, 2022	(161.72)	15.46	(146.26)
Profit for the period	35.88	-	35.88
Less: Other comprehensive Loss for the period, net of tax			
Remeasurement loss of defined benefit plans	(0.01)	-	(0.01)
Balance as at June 30, 2022	(125.85)	15.46	(110.39)

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

*Kartikeya Raval*

Kartikeya Raval  
Partner



Place : Ahmedabad  
Date : October 1, 2022



For and on behalf of the Board of Directors

*Sanjay Thakker*  
Sanjay Thakker  
Director  
DIN No: 00156093

*Harshad Desai*  
Harshad Desai  
Director  
DIN No: 08958940

Place : Mumbai  
Date : October 1, 2022

Place : Mumbai  
Date : October 1, 2022



**WATERMARK CARS PRIVATE LIMITED**  
**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**

Automark Motors Private Limited ("the Company") is a private limited company incorporated and domiciled in India on March 23, 2018 under the Companies Act, 2013 and is a wholly owned subsidiary of Landmark Cars Limited. The Company is the authorized dealer for Volkswagen cars for the states of Gujarat, Delhi and Haryana. The Company is engaged in the business of (i) operation of showrooms to buy and sell automobiles of a single brand "Volkswagen" (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 Volkswagen Company and other vendors (v) the insurance commission business in connection with (i) and (ii).

**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.

The Special Purpose Condensed Interim Financial Statements have been prepared by the Company in connection with the proposed initial public offering of the Landmark Cars Limited. As a result, the Special Purpose Condensed Interim Financial Statements may not be suitable for any another purpose.

**3 Contingent Liability**

There is no contingent liability as at June 30, 2022

**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 period ended June 30, 2022
Sale of cars	104.26
Sale of spares	32.68
Sale of services	23.88
Revenue from sale of products and services	160.82
Other operating revenues	5.59
	166.41

**Other operating revenue includes:**

Particulars	For the three months period ended June 30, 2022
Commission on Pre-owned cars	4.26
Others	1.33
	5.59



WATERMARK CARS PRIVATE LIMITED  
 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 managerial Personnel are able to exercise significant influence and control	Wild Dreams Media and Communications Private Limited
c	Fellow Subsidiaries - Subsidiaries of Landmark Cars Limited	Landmark Automobiles Private Limited Landmark Commercial Vehicles Private Limited Automark Motors Private Limited Benchmark Motors Private Limited Landmark Cars (East) Private Limited Landmark Lifestyle Cars Private Limited
d	Key Management Personnel	Mr. Sanjay Thakker Mr. Harshal Desai Mr. Rajiv Bal Vohra
e	Relatives of Key Management Personnel	Aryaman Thakker (Son of Mr. Sanjay Thakker) Sanjay Thakker (HUF) Ami Thakker (Spouse of Mr. Sanjay Thakker)

RELATED PARTY TRANSACTIONS SUMMARY		For the three months period ended June 30, 2022
<b>Part 1: Transactions during the year</b>		
1	Loans taken Sanjay Thakker Ami Thakker Landmark Cars Limited	16.50 11.30 98.20
2	Loan repaid Landmark Cars Limited Ami Thakker Sanjay Thakker	110.00 30.00 52.20
3	Interest paid Sanjay Thakker Landmark Cars Limited Ami Thakker	0.55 2.44 0.77
4	Advertisement / Sales Promotion expenses Wild Dreams Media and Communications Private Limited Landmark Cars Limited	0.03 0.03
5	Sales of Accessories/Service Landmark Cars Limited Landmark Cars (East) Private Limited Benchmark Motors Private Limited Landmark Automobiles Private Limited Landmark Lifestyle Cars Private Limited Automark Motors Private Limited	20.24 0.15 0.01 0.50 0.97 0.02
6	Purchase of Accessories/Service Landmark Cars Limited Landmark Automobiles Private Limited Benchmark Motors Private Limited Landmark Lifestyle Cars Private Limited	0.03 3.62 0.12 0.03
7	Rent Expenses Ami Thakker Aparajita Thakker Aryaman Thakker	0.51 0.09 0.09
8	Manpower Support Service Income Automark Motors Private Limited Benchmark Motors Private Limited Landmark Automobiles Private Limited Landmark Cars Limited Landmark Cars (East) Private Limited Landmark Lifestyle Cars Private Limited	3.42 2.10 3.82 22.46 2.78 2.22

Particulars		As at June 30, 2022
<b>Part 2: Balance at the end of the year</b>		
1	Borrowings Sanjay Thakker Ami Thakker Landmark Cars Limited	32.30 46.40 61.90
2	Interest Accrued Sanjay Thakker Ami Thakker Landmark Cars Limited	0.49 0.69 2.44
3	Trade Payables Landmark Automobiles Private Limited Benchmark Motors Private Limited	0.61 0.01
4	Trade Receivables Landmark Cars Ltd Landmark Cars (East) Private Limited Landmark automobile Private Limited Landmark Lifestyle Cars Private Limited Automark Motors Private Limited Benchmark Motors Private Limited	13.57 0.05 1.37 0.78 1.09 0.73



**WATERMARK CARS PRIVATE LIMITED**

**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 Board of Directors at their meeting conducted on October 1, 2022.

For and on behalf of the Board of Directors



  
Sanjay Thakker  
Director  
DIN No: 00156093

  
Harshad Desai  
Director  
DIN No: 08958940

Place : Mumbai  
Date : October 1, 2022

Place : Mumbai  
Date : October 1, 2022