S.R. BATLIBOI & CO. LLP
Chartered Accountants

67, Institutional Area,
Sector 44, Gurugram – 122003,
Haryana, India

Tel: +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)

Report issued in accordance with scope and terms agreed in Master Engagement Agreement dated October 14, 2022, and service scope letter dated August 23, 2023, entered between Samvardhana Motherson International Limited (formerly known as Motherson Sumi System Limited) and us in relation to the audit of Special Purpose Indian Accounting Standards (Ind AS) Financial Statements of MSSL Wiring System Inc.

Opinion

We have audited the accompanying Special Purpose Ind AS financial statements of MSSL Wiring System Inc. ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS financial statements give the information required by 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, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the financial statements, 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 audit opinion on the Ind AS financial statements.

Responsibility of Management for the Ind AS Financial Statements

The Management of the Company including those charged with governance are responsible for the preparation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS). This responsibility also includes maintenance of adequate accounting records, 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing these special purpose Ind AS 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose Ind AS 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 Ind AS 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 Ind AS 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, 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 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 Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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GURUGRAM

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

Other matters

These special purpose Ind AS financial statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 2(a) to the special purpose Ind AS financial statements, which describes the basis of accounting.

This report covering the financial statements of the Company for the year ended March 31, 2023 is intended for the information and use of the board of directors of the Company and Samvardhana Motherson International Limited (SAMIL) (formerly known as Motherson Sumi Systems Limited) (SAMIL), the ultimate holding company to comply with the financial reporting requirement by SAMIL with respect to the inclusion of audited financial statement of the subsidiary companies on the website of the SAMIL. It should not be used for any other purpose or provided to other parties.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP * GURUGRAM *

per Pankaj Chadha
Partner
Membership Number: 091813
UDIN: 23091813BGQOZL8764

Place of Signature: Gurugram
Date: 25.09.2023

MSSL Wiring System Inc.
Special Purpose Ind AS Financial Statements
2022-23

MSSL WIRING SYSTEM INC.
Special Purpose Balance Sheet as at March 31, 2023

(All amounts in USD'000, unless otherwise stated)

	Notes	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	16,746	15,348
Right-of-use assets	3(b)	1,216	1,297
Capital work-in-progress	3(c)	243	359
Goodwill	4	2,015	2,015
Deferred tax assets (net)	5	5,721	3,837
Total non-current assets		**25,941**	**22,856**
Current assets			
Inventories	6	44,623	39,618
Financial assets			
i. Trade receivables	7	45,844	45,476
ii. Cash and cash equivalents	8	26,277	16,615
iii. Loans	9	14,327	12,274
iv. Other financial assets	10	5,781	3,734
Other current assets	11	680	559
Total current assets		**137,532**	**118,276**
Total assets		**163,473**	**141,132**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	0	0
Other equity			
Share application money pending for allotment	13	34,100	34,100
Reserves and surplus	13	70,964	54,120
Other reserves	13	1,347	1,556
		106,411	**89,776**
Liabilities			
Non Current liabilities			
Financial liabilities			
i. Lease liabilities	14	610	786
Total non current liabilities		**610**	**786**
Current liabilities			
Financial liabilities			
i. Lease liabilities	14	684	571
ii. Trade payables	15	47,078	44,332
iii. Other financial liabilities	16	309	231
Provisions	17	134	512
Other current liabilities	18	7,921	4,097
Current tax liabilities (net)	19	326	827
Total current liabilities		**56,452**	**50,570**
Total equity and liabilities		**163,473**	**141,132**
Summary of significant accounting policies	2		

The above Special Purpose Balance Sheet should be read in conjunction with the accompanying notes.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Pankaj Chadha
Partner
Membership No.: 091813

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Gurugram
Date: September 25, 2023

For and on behalf of the Board

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Sukant Gupta
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Sukant Gupta
Director

Date: September 25, 2023

DocuSigned by:
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Pankaj Mital
Director

Date: September 25, 2023

MSSL WIRING SYSTEM INC.

Special Purpose Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in USD'000, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from contract with customers	20	331,141	262,121
Other revenue	21	1,790	1,471
Total revenue		**332,931**	**263,592**
Other income	22	4,872	2,081
Total income		**337,803**	**265,673**
Expenses			
Cost of materials consumed	23	158,070	126,446
Change in inventories of finished goods and work-in-progress	24	(197)	(405)
Employee benefit expense	25	26,305	17,799
Depreciation and amortisation expense	26	3,501	4,001
Finance costs	27	107	125
Other expenses	28	122,840	92,841
Total expenses		**310,626**	**240,807**
Profit before tax		**27,177**	**24,866**
Tax expenses			
Current tax	29	7,161	4,427
Deferred tax expense/ (credit)	29	(1,828)	(1,033)
Total tax expense		**5,333**	**3,394**
Profit for the year		**21,844**	**21,472**
Other comprehensive income			
Items to be reclassified to profit or loss			
Deferred gain / (losses) on cash flow hedges		(265)	829
Income tax on deferred gain / (losses) on cash flow hedges		56	174
Other comprehensive income/loss for the year, net of tax		**(209)**	**655**
Total comprehensive income/loss for the year, net of tax		**21,635**	**22,127**
Earning per share			
Nominal value per share: USD 1 (Previous year: USD 1)			
Basic	30	0.64	0.63
Diluted	30	0.64	0.63
Summary of significant accounting policies	2		

The above Special Purpose Statement of Profit and Loss should be read in conjunction with the accompanying notes.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Pankaj

per Pankaj Chadha
Partner
Membership No.: 091813

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Gurugram
Date: September 25, 2023

For and on behalf of the Board

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Sukant Gupta
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Sukant Gupta
Director

Date: September 25, 2023

DocuSigned by:
Pankaj
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Pankaj Mital
Director

Date: September 25, 2023

MSSL WIRING SYSTEM INC.

Special Purpose Statement of Changes in Equity for the year ended March 31, 2023

(All amounts in USD'000, unless otherwise stated)

A. Equity Share Capital	Notes	Number of shares (In No.)	Amount
As at April 01, 2021		**100**	**0**
Movement during the year	12	-	-
As at March 31, 2022		**100**	**0**
Movement during the year	12	-	-
As at March 31, 2023		**100**	**0**

B. Other equity		Share application money pending allotment	Reserves and Surplus	Items of OCI	Total attributable to Owners
	Notes		Retained Earnings	Cash flow hedging reserve	
Balance as at April 01, 2021		**34,100**	**39,648**	**901**	74,649
Profit for the year		-	21,472	-	**21,472**
Other comprehensive income		-	-	655	**655**
Dividend paid	12	-	(7,000)	-	**(7,000)**
Total comprehensive income for the year		-	**14,472**	**655**	**15,127**
Balance at March 31, 2022		**34,100**	**54,120**	**1,556**	**89,776**
Profit for the year		-	21,844	-	**21,844**
Other comprehensive income		-	-	(209)	**(209)**
Dividend paid	12	-	(5,000)	-	**(5,000)**
Total comprehensive income for the year		-	**16,844**	**(209)**	**16,635**
Balance at March 31, 2023		**34,100**	**70,964**	**1,347**	**106,411**
Summary of significant accounting policies	2				

The above Special Purpose Statement of Changes in Equity should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Pankaj Chadha
Partner
Membership No.: 091813

Place: Gurugram
Date: September 25, 2023

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board

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Sukant Gupta
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Sukant Gupta
Director

Date: September 25, 2023

DocuSigned by:
Pankaj
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Pankaj Mahi
Director

Date: September 25, 2023

MSSL WIRING SYSTEM INC.

Special purpose Cash Flow Statement for the year ended March 31, 2023

(All amounts in USD'000, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	27,177	24,866
Adjustments for:		
Interest income	(321)	-
Depreciation and amortisation expense	3,501	4,001
Finance cost	107	125
Provision for warranty	(378)	(66)
Gain on sale of fixed asset	-	(7)
Provision for doubtful debt / advances	816	108
Unrealised foreign currency loss/(gain)	(4,551)	(2,074)
PPP loan forgivness applied to expenses	-	(4,270)
Operating profit before working capital changes	**26,351**	**22,683**
Changes in working capital:		
Increase/(decrease) in trade and other payables	7,297	4,141
Increase/(decrease) in other financial liabilities	79	47
Increase/(decrease) in other current liabilities	3,822	1,755
(Increase)/decrease in trade receivables	(1,184)	(4,434)
(Increase)/decrease in inventories	(5,005)	(10,700)
(Increase)/decrease in other current assets	(121)	52
(Increase)/decrease in other financial assets	(2,312)	(817)
Cash generated from operations	**28,927**	**12,726**
Taxes (paid)	(7,663)	(3,518)
Net cash generated from operating activities	**21,264**	**9,208**
B. Cash flow from Investing activities		
Payments for purchase of property, plant & equipment (including capital work-in-progress)	(4,082)	(2,897)
Interest income	321	-
Proceeds from sale of fixed assets	-	12
Loan advanced to related parties (net)	(2,053)	(1,126)
Net cash (used) in investing activities	**(5,813)**	**(4,012)**
C. Cash flow from financing activities		
Interest paid	(53)	(94)
Payment of principal portion of lease liabilities	(736)	(650)
Dividend paid	(5,000)	(7,000)
Net cash (used) in financing activities	**(5,789)**	**(7,744)**
Net increase/(decrease) in Cash & Cash Equivalents	**9,662**	**(2,547)**
Net Cash and Cash equivalents at the beginning of the year	16,615	19,162
Cash and cash equivalents as at year end	**26,277**	**16,615**
Cash and cash equivalents comprise		
Cash on hand	1	1
Balance with Banks	26,276	16,614
Cash and cash equivalents as per Balance Sheet	**26,277**	**16,615**
Total	**26,277**	**16,615**
Summary of significant accounting policies (Note 2)		

i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS-7, "Statement of Cash Flows".
ii) Figures in brackets indicate Cash Outflow.

The above Special Purpose Cash Flow Statement should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Pankaj Chadha
Partner
Membership No.: 091813

Place: Gurugram
Date: September 25, 2023

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board

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Sukant Gupta
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Sukant Gupta
Director

DocuSigned by:
Pankaj
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Pankaj Mital
Director

Date: September 25, 2023

Date: September 25, 2023

1. Corporate information

MSSL Wiring System Inc. (MWSI or "the Company") was incorporated on May 28, 2014 and domiciled in the United States of America and is engaged in manufacture and sale of wire harness, high tension cords, battery cables and high level assemblies to automotive original equipment manufacturers. The business address of its registered office is 8640 East Market Street, Howland Township Warren, OH 44484.

The Company is a wholly owned subsidiary of MSSL Consolidated Inc. and is 100% subsidiary of its ultimate holding company, Samvardhana Motherson International Limited (SAMIL) (Formerly known as Motherson Sumi Systems Limited).

The special purpose Ind AS financial satements were authorized for issue on the date of signing.

2. Significant accounting policies

a) Basis of preparation

These special purpose Incl AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and as applicable in India (Incl AS), for the purpose complying with the financial reporting requirement by SAMIL with respect to the inclusion of audited financial statement of the subsidiary companies on the website of the SAMIL.

These Special Purpose Ind AS financial statements have been prepared on a historical cost basis on an accrual and going concern basis except for certain assets and liabilities measured at fair value as described under respective accounting policies.

The financial statements are presented in USD and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Foreign Currencies

(i) Functional and presentation currency
The Company's functional currency is US Dollar (USD) and the financial statements are presented in US Dollar (USD).
(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. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges.

Foreign exchange differences 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 or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

d) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

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Revenue from sale of components

Revenue from sale of components is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment, unless specified otherwise.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a Tefund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-ty warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Revenue from assembly of components

The Company has contracts with customers to assemble, on their behalf, customized components from various parts procured from suppliers identified by the customer. The Company is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.

Revenue from development of tools

The Company develops customized tooling for its customers and recognizes its revenue over time using an input method to measure progress towards complete satisfaction of the tool development. The Company recognizes revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Company cannot reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation, the Company recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Judgments applied in determining amount and timing of revenue

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Determining the timing of satisfaction of tooling development

The Company concluded that revenue for development of tooling is to be recognized over time because the Company's performance does not create asset with an alternative use to the Company since the tools are customized for each customer and the Company has a legally enforceable right to payment for fair value of performance completed to date.

The Company determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognizes revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

(ii) Principal versus agent considerations

The Company enters into contracts with it's customers to assemble, on their behalf, customized components using various parts procured from suppliers identified by the customer. Under these contracts, the Company provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Company determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Company does not control the goods before they are being transferred to customers. Therefore, the Company determined that it is an agent in these contracts.

- The Company is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Company does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
- The Company has no discretion in establishing the price for the specified component. The Company's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Company concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Company's agency service.

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Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. Trade accounts receivables are disclosed in Note 7.

Contract assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Company's contract assets are disclosed in Note 39 as Unbilled Revenue.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer. a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. Contract Liabilities are disclosed in Note 39 as Advances received from customers.

Impairment

An impairment is recognized to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognized as expenses.

e) 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 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 lax laws enacted or substantively enacted at the end of the reporting period in USA Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 standalone financial statements.

Deferred tax liabilities are not recognized:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or 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 recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 realize the asset and settle the liability simultaneously.

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

f) Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

Short-term leases and leases of low-value assets

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

g) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annua impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples. quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company' CCUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

h) Cash and cash equivalents

Cash and cash equivalent include cash on hand, cash at banks and short term deposits 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 change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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i) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value.

Cost of raw material comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labor 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 cost incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are determined on weighted average cost basis.

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.

j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solel payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The classification or financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially 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. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

This category is the most relevant to the Company. A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Company elected to classify irrevocably its non-listed equity investments under this category. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Currently, there are no such financial instrument.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Incl AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
b. Financial assets that are debt instruments and are measured as at FVTOCI;
c. Lease receivables under Incl AS 116;
d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;
e. Loan commitments which are not measured as at FVTPL;
f. Financial guarantee contracts which are not measured as at FVTPL;

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables. loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings and other payables.

De-recognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's se ni o management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the date which is the first day of the immediately next reporting period following the change in business model. T

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Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of The Company or the counterparty.

k) Fair value measurement
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

l) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, namely forward currency contracts. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

- Hedges of a net investment in a foreign operation

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

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i. **Fair value hedges**

The change in the fair value of a hedging instrument is recognized in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.
When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

The Company has an interest rate swap that is used as a hedge for the exposure of changes in the fair value. See note 33 for more details.

ii. **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized in finance costs.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

m) Property, plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

The cost of self-generated assets comprises of raw material, components, direct labor, other direct cost and related production overheads.

Depreciation methods and useful lives
Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives (years)
Building	25-40 years
Machinery and Equipment	10 years
Office Furniture and Equipment	10 years
Computers	5 years
Building Improvements	25 years or remaining life
Leashold Improvements	Length of lease
Vehicles	3 years

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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n) Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill has indefinite useful life. Goodwill is not amortized but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

p) Provisions and contingent liabilities

Povisions

Provisions for legal claims, product warranties and other obligations are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract increase the related revenue of the contract, the Company makes a provision for the difference.

Contingent Liabilities

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

q) Employee benefits

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 recognized 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 obligations in the balance sheet.

Retirement plan

The Company operates a retirement plan which is a defined contribution plan A defined contribution retirement plan is a plan under which the employee and the Company can make contributions to the account which is managed by a trustee. For defined contribution plans, the Company has no legal or constructive obligations to pay further contributions to the plan. This plan is owned by the employee. The contributions are recognized as employee benefit expense when they are due.

r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

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s) **Earnings per share**

i. **Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

ii. **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in these financial statements.

(i) **Determining the lease term of contracts with renewal and termination options - as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

(ii) **Revenue from contracts with customers**

The Company applies the judgements in respect to transactions relating to tooling development, Principal versus agent consideration that significant financing component in a contract that significantly affect the determination of the amount and timing of revenue from contracts with customers. For more details, refer note 2(d).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **Useful life of property, plant and equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

(ii) **Percentage completion of recognition of revenue**

The Company uses the percentage-of-completion method in accounting for 'development of tools' contracts. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(iii) Provisions and liabilities

The Company estimates the provisions and liabilities and to the probability of expenses arising from warranty claims and claims from legal disputes that have present obligations as a result of past events and it is probable that outllow or resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

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3(a) Property, plant and equipment

(All amounts in USD'000, unless otherwise stated)

Particulars	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & fixtures	Computers	Vehicles	Total
Year ended March 31, 2022								
Gross carrying amount								
As at Apr 01, 2021	**890**	**550**	**2,225**	**28,309**	**278**	**3,902**	**14**	**36,168**
Additions	-	-	249	2,167	-	122	-	**2,538**
Disposals / other adjustments	-	-	-	(44)	-	-	-	**(44)**
Closing gross carrying amount	**890**	**550**	**2,474**	**30,432**	**278**	**4,024**	**14**	**38,662**
Accumulated depreciation								
As at Apr 01, 2021	**-**	**430**	**761**	**15,173**	**196**	**3,376**	**14**	**19,950**
Depreciation charge during the year	39	36	102	2,945	19	263	-	**3,404**
Disposals / other adjustments	-	-	-	(40)	-	-	-	**(40)**
Closing accumulated depreciation	**39**	**466**	**863**	**18,078**	**215**	**3,639**	**14**	**23,314**
Year ended March 31, 2023								
Gross carrying amount								
As at Apr 01, 2022	**890**	**550**	**2,474**	**30,432**	**278**	**4,024**	**14**	**38,661**
Additions	-	-	566	3,345	-	286	-	**4,198**
Disposals / other adjustments	-	-	-	-	-	-	-	**-**
Closing gross carrying amount	**890**	**550**	**3,040**	**33,777**	**278**	**4,310**	**14**	**42,859**
Accumulated depreciation								
As at Apr 01, 2022	**39**	**466**	**863**	**18,078**	**215**	**3,639**	**14**	**23,314**
Depreciation charge during the year	39	33	116	2,435	13	163	-	**2,799**
Disposals / other adjustments	-	-	-	-	-	-	-	**-**
Closing accumulated depreciation	**78**	**499**	**979**	**20,513**	**228**	**3,802**	**14**	**26,113**
Net carrying amount								
As at March 31, 2023	**812**	**51**	**2,061**	**13,264**	**50**	**508**	**-**	**16,746**
As at March 31, 2022	851	84	1,611	12,354	63	385	-	15,348

(i) Contractual obligations: Refer to note 37 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

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MSSL WIRING SYSTEM INC.
Notes to the Special Purpose Financial Statements

3(b) Right-of-use assets

(All amounts in USD'000, unless otherwise stated)

Particulars	Buildings	Plant & Machinery	Data Procceing Equipment	Office Equipment	Vehicles	Total
Year ended March 31, 2022						
Gross carrying amount						
As at Apr 01, 2021	1,700	72	230	132	63	2,197
Additions	156	-	-	9	-	165
Deletions	(33)	-	-	(3)	-	(36)
Closing gross carrying amount	1,823	72	230	138	63	2,326
Accumulated depreciation						
As at Apr 01, 2021	369	24	7	32	34	466
Depreciation charge during the year	488	14	46	29	20	597
Deletions	(32)	0	0	(2)	-	(34)
Closing accumulated depreciation	825	39	53	59	54	1,029
Year ended March 31, 2023						
Gross carrying amount						
As at Apr 01, 2022	1,823	72	230	138	63	2,326
Additions	1,024	-	-	1	-	1,025
Deletions	(1,075)	-	-	(3)	(63)	(1,141)
Closing gross carrying amount	1,772	72	230	136	-	2,210
Accumulated depreciation						
As at Apr 01, 2022	825	39	53	59	54	1,029
Depreciation charge during the year	605	14	46	28	9	702
Deletions	(669)	(1)	0	(5)	(63)	(738)
Closing accumulated depreciation	761	52	99	82	(0)	994
As at March 31, 2023	1,011	20	131	54	0	1,216
As at March 31, 2022	999	33	177	79	9	1,297

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(All amounts in USD'000, unless otherwise stated)

3(c) Capital work-in-progress	Amount
Year ended March 31, 2022	
As at April 01, 2021	-
Addition during the year	2,897
Transfers	(2,538)
Closing balance as at March 31, 2022	**359**
As at April 01, 2022	359
Addition during the year	2,476
Transfers	(2,592)
Closing balance as at March 31, 2023	**243**

Note: (i) Capital Work in Progress mainly comprises plant & machinery.

Capital work in progress (CWIP) Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Year ended March 31, 2022					
Projects in progress	359	-	-	-	359
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022	**359**	-	-	-	**359**
Year ended March 31, 2023					
Projects in progress	243	-	-	-	243
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023	**243**	-	-	-	**243**

As at March 31, 2023 and March 31, 2022 there are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

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(All amounts in USD'000, unless otherwise stated)

4 Goodwill

	Amount
Year ended March 31, 2022	
As at April 01,2021	2,015
Addition/Disposals	-
Closing balance as at March 31, 2022	**2,015**
As at April 01,2022	**2,015**
Addition/Disposals	-
Closing balance as at March 31, 2023	**2,015**

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. At the acquisition date the excess of consideration transferred over the net assets acquired is the goodwill recognized. The acquisition was completed in earlier to the adoption of Ind AS by the holding company.

5 Deferred tax assets (net)

	March 31, 2023	March 31, 2022
Deferred tax assets		
Property, plant, equipments & Intangible assets	812	1,022
Provision for Doubtful debts, advances and inventory	1,973	1,412
Provision for accrual and other liabilities	2,547	1,610
Mark to market on hedge instruments	(103)	(90)
Others*	826	272
Deferred Tax on mark to market on hedge instruments (OCI)	(334)	(389)
Total	**5,721**	**3,837**

Movement in Deferred tax assets

	Property, plant, equipments & Intangible assets	Provision for Doubtful debts/Advances/ Inventory	Provision for Accrual and other liabilities	Mark-to-Market on Hedge Instruments	Others	Deferred Tax on Cash flow hedge(OCI)	Total
As at April 01, 2021	942	1,352	1,076	(68)	(108)	(215)	2,979
(Charged) / credited:							
to profit or loss	80	60	534	(22)	380	-	1,032
to other comprehensive income	-	-	-	-	-	(174)	(174)
As at March 31, 2022	1,022	1,412	1,610	(90)	272	(389)	3,837
(Charged) / credited:							
to profit or loss	(210)	561	937	(13)	554	-	1,829
to other comprehensive income	-	-	-	-	-	55	55
As at March 31, 2023	812	1,973	2,547	(103)	826	(334)	5,721

*Others represent tax impact of temporary differences arising out of interest deductibility limitations, R&D credits, non-deductibility of expenses and other similar items.
Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

6 Inventories

	March 31, 2023	March 31, 2022
Raw materials	34,737	29,929
Work-in-progress	7,724	7,293
Finished goods	2,162	2,396
	44,623	**39,618**

Inventory include inventory in transit of:		
Raw materials	856	224

During the year ended March 31, 2023, the Company has made provision in respect of obsolete/slow moving items amounting to USD 1,587 (March 31, 2022: USD 1,214). These were recognised as an expense during the year in statement of profit or loss.

7 Trade Receivables

	March 31, 2023	March 31, 2022
Unsecured, considered good	44,601	43,973
Trade receivables from related parties (Refer Note 36)	1,243	1,503
Unsecured, credit impaired	975	159
	46,819	**45,635**
Less: Allowances for credit loss	975	159
	45,844	**45,476**

Note: In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on past provision. Past Provision takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due.

Trade receivable ageing schedule

Undisputed	**Current but not due**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6	**6 months – 1**	**1-2 years**	**2-3 years**	**More than 3 years**	
Year ended March 31, 2023							
Trade Receivables – considered good	34,386	11,097	360	0	0	(0)	45,844
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	486	465	14	10	975
Total	**34,386**	**11,097**	**846**	**465**	**14**	**10**	**46,819**
Less: Allowances for credit loss	-	-	(486)	(465)	(14)	(10)	(975)
Total	**34,386**	**11,097**	**360**	**0**	**0**	**(0)**	**45,844**

Undisputed	**Current but not due**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6	**6 months – 1**	**1-2 years**	**2-3 years**	**More than 3 years**	
Year ended March 31, 2022							
Trade Receivables – considered good	33,376	11,295	773	31	-	-	45,476
Undisputed Trade Receivables – which have significant increase in credit risk	-	95	60	5	-	-	159
Total	**33,376**	**11,390**	**833**	**36**	**-**	**-**	**45,635**
Less: Allowances for credit loss		(95)	(60)	(5)	-	-	(159)
Total	**33,376**	**11,295**	**773**	**31**	**-**	**-**	**45,476**

During the financial year ended March 31, 2023 and March 31, 2022, there are no disputed trade receivables.

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(All amounts in USD'000, unless otherwise stated)

8 Cash and cash equivalents

	March 31, 2023	March 31, 2022
Balances with banks:		
- in current accounts	6,276	16,614
- Deposits with original maturity of less than three months	20,000	-
Cash on hand	1	1
	26,277	16,615

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period.

	March 31, 2022	Cash Flow	Non cash items	March 31, 2023
Lease liabilities*	1,358	(736)	672	1,294
Total liabilities from financing activities	1,358	(736)	672	1,294

* Non cash includes new leases taken or termination of lease contracts in case of lease liabilities.

9 Loans

	March 31, 2023	March 31, 2022
Unsecured, considered good		
- Loans to related parties repayable on demand (Refer Note 36)	14,327	12,274
	14,327	12,274

The Company has given an interest free loan to the immediate holding Company which is MSSL Consolidated Inc.This amount is in the nature of loan repayable on demand.

10 Other financial assets

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security Deposits	148	-	148	-
Derivatives designated as hedge	2,105	-	2,124	-
Unbilled revenue	3,528	-	1,462	-
	5,781	-	3,734	-

11 Other current Assets

	March 31, 2023	March 31, 2022
Unsecured, considered good		
Prepaid expenses	680	559
	680	**559**

12 Equity share capital

	March 31, 2023	March 31, 2022
Authorised, issued, subscribed and paid up:		
100 (March 31, 2023: 100; April 1, 2022: 100) equity shares of USD 1 each	0.10	0.10
	0.10	**0.10**

(a) Movement in equity share capital

	Numbers	Amount
As at March 31, 2022	100	0.10
Add: Movement during the year	-	-
As at March 31, 2023	**100**	**0.10**

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity is entitled to one vote per share held. The Company declares and pays dividends in US dollars. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	March 31, 2023		March 31, 2022	
	Nos.	%	Nos.	%
MSSL Consolidated Inc., the holding company	100	100%	100	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

13 Other equity

Share application money pending for allotment *

	Amount
As at April 1, 2021	34,100
Add: Changes during the year	-
As at March 31, 2022	**34,100**
Add: Changes during the year	-
As at March 31, 2023	**34,100**

* It represents the amount againts which numbers af equity shares of USD 1 each are yet to be alloted. Since, the numbers of shares to be alloted are fixed and not refundable to the shareholder, the amount has been considered to be of equity in nature. Thus, 34,100,000 number of sahres have been considered for the purpose of determining Basic and Diluted EPS as well.

Reserves and surplus
Retained earnings

	March 31, 2023	March 31, 2022
Opening balance	54,120	39,648
Dividend paid	(5,000)	(7,000)
Additions during the year	21,844	21,472
Closing balance	**70,964**	**54,120**

Note: It comprises retained earnings of the Company which are kept aside out of company's profits to meet future (known or unknown) obligations.

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(All amounts in USD'000, unless otherwise stated)

Other reserves
Cash flow hedging reserve

	March 31, 2023	March 31, 2022
Opening balance	1,556	901
Additions during the year	(209)	655
Closing balance	1,347	1,556

Note: The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast payments. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

14 Lease Liabilities

	March 31, 2023	March 31, 2022
Non current		
Lease liabilities (Refer Note 40)	610	786
Current		
Lease liabilities (Refer Note 40)	684	572
	1,294	1,358

15 Trade Payables

	March 31, 2023	March 31, 2022
Total outstanding dues of creditors other than related parties	30,736	30,966
Trade payable to related parties (Refer Note 36)	16,342	13,366
	47,078	44,332

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Year ended March 31, 2023						
Total outstanding dues of creditors	43,435	2,738	373	149	383	47,078
Total	43,435	2,738	373	149	383	47,078

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Year ended March 31, 2022						
Total outstanding dues of creditors	35,867	8,072	393	-	-	44,332
Total	35,867	8,072	393	-	-	44,332

During the financial year ended March 31, 2023 and March 31, 2022, there are no disputed trade payables.

16 Other financial liabilities

	March 31, 2023	March 31, 2022
Current		
- Employee payroll and benefits payable	309	231
Total	309	231

17 Provisions

	March 31, 2023	March 31, 2022
For warranties	134	512
Total	134	512

Warranties
A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

The Company has following provisions in the books of account as at year end:

	March 31, 2023	March 31, 2022
Opening Balance	512	579
Additions during the year	59	19
Deletions during the year	(437)	(86)
Closing Balance	134	512

18 Other current liabilities

	March 31, 2023	March 31, 2022
- Advance from customers	7,921	4,097
Total	7,921	4,097

19 Current tax liabilities net

	March 31, 2023	March 31, 2022
- Tax Liabilities	326	827
Total	326	827

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(All amounts in USD'000, unless otherwise stated)

20 Revenue from contract with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of products	328,364	253,412
Sales of services	443	6,052
Tool development	2,334	2,657
Total revenue from contract with customers (Refer Note 35 & 39)	**331,141**	**262,121**

Note: There is no material difference between the contract price and the revenue from contract with customers.

21 Other revenue:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Scrap sales	1,431	1,465
Miscellaneous income	359	6
	1,790	1,471
Total Income	**332,931**	**263,592**

22 Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Foreign exchange gain (net)	4,551	2,074
Gain on Sale of Property, Plant and Equipment	-	7
Interest income	321	-
Total	**4,872**	**2,081**

23 Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of raw materials	29,929	19,634
Add : Purchases of raw materials	162,878	136,741
Less: Closing stock of raw materials	(34,737)	(29,929)
Total	**158,070**	**126,446**

24 Changes in inventory of finished goods and work in progress

	For the year ended March 31, 2023	For the year ended March 31, 2022
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	2,396	3,476
Work-in-progress	7,293	5,808
Total A	**9,689**	**9,284**
Stock at the end of the year:		
Finished goods	2,162	2,396
Work-in-progress	7,724	7,293
Total B	**9,886**	**9,689**
(Increase)/ decrease in stocks (A-B)	**(197)**	**(405)**

25 Employee benefit expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages & bonus	19,586	13,985
Contribution to employee welfare funds, payroll tax and other taxes (Refer Note 31)	1,947	1,875
Staff welfare expenses	4,772	1,939
Total	**26,305**	**17,799**

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(All amounts in USD'000, unless otherwise stated)

26 Depreciation

	For the year ended	
	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment (Refer Note 3 (a))	2,799	3,404
Depreciation on right-of-use assets (Refer Note 3 (b))	702	597
	3,501	4,001

27 Finance costs

	For the year ended	
	March 31, 2023	March 31, 2022
Interest on lease liabilities (Refer Note 40)	54	70
Others	53	55
Total	107	125

28 Other expenses

	For the year ended	
	March 31, 2023	March 31, 2022
Contract manufacturing costs (refer note 36)	108,103	81,796
Electricity, water and fuel	325	290
Machinery	1,238	1,435
Building	313	270
Others	6	6
Consumption of stores and spare parts	1,176	821
Rent	18	29
Rates and taxes	1,376	1,038
Insurance	222	222
Travelling	860	437
Freight and forwarding	2,302	498
Provision for doubtful debts and advances	804	108
Legal and professional expenses	2,912	2,987
Computer expenses and software charges	1,489	1,410
Communication expenses	223	184
Miscellaneous expenses	1,473	1,310
Total	122,840	92,841

29 Income tax expense

(a) Income tax expense

	For the year ended	
	March 31, 2023	March 31, 2022
Current tax		
Current income tax charged	7,161	4,427
Total current tax expense	**7,161**	**4,427**
Deferred tax (Refer Note 5)		
Decrease in deferred tax liabilities (net)	(1,828)	(1,033)
Total deferred tax expense/(credit)	**(1,828)**	**(1,033)**
Income tax expense	**5,333**	**3,394**

(b) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate

	For the year ended	
	March 31, 2023	March 31, 2022
Profit before income tax expense	27,177	24,866
Tax at USA's tax rate of 21% (March 31, 2022: 21%)	5,707	5,222
Additional deduction allowable under tax laws	(813)	(815)
Effect of tax credits	552	654
Adjustments for current tax of prior periods	26	(88)
Others	(140)	(1,579)
Total	5,333	3,394

The company files a consolidated tax return as a part of Tax group (USA) of Motherson Group constituting of MSSL Consolidated Inc. and MSSL Wiring System Inc. (collectively referred as "Tax Group"). The Parent Company (MSSL Consolidated Inc..) therefore utilizes the tax attributes of these entities – operating losses, dividend income, etc.

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(All amounts in USD'000, unless otherwise stated)

30 Earnings per share

	March 31, 2023	March 31, 2022
a) Basic and Diluted		
Net profit after tax available for equity Shareholders	21,844	21,472
Weighted average number of equity shares	100	100
Weighted average number of equity shares pending for allotment	34,100	34,100
Total number of weighted average number of shares	34,200	34,200
Basic and diluted earnings per share	0.64	0.63

The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

31 Employee benefit plans

The Company contributes towards defined contribution plans which require contributions from the Company and employees. The Company's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current period in relation to these contributions was USD 412 (March 31, 2022: USD 323) which are included in income statement under the head "Employee benefit expenses".

32 Fair value measurements

Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Trade receivable	-	-	45,844	-	-	45,476
Loans	-	-	14,327	-	-	12,274
Cash and cash equivalents	-	-	26,277	-	-	16,615
Other financial assets	515	1,590	3,676	269	1,855	1,610
Total financial assets	**515**	**1,590**	**90,124**	**269**	**1,855**	**75,975**
Financial liabilities						
Lease liabilities	-	-	1,294	-	-	1,358
Trade payables	-	-	47,078	-	-	44,332
Other financial liabilities	-	-	309	-	-	231
Total financial liabilities	**-**	**-**	**48,681**	**-**	**-**	**45,921**

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Trade Receivable	-	-	45,844	**45,844**
Loans	-	-	14,327	**14,327**
Cash and Cash equivalents	-	-	26,277	**26,277**
Other financial assets	-	2,105	3,676	**5,781**
Total financial assets	-	**2,105**	**90,124**	**92,229**
Financial liabilities				
Financial liabilities measured at amortised cost				
Lease liabilities	-	-	1,294	**1,294**
Trade Payables	-	-	47,078	**47,078**
Other financial liabilities	-	-	309	**309**
Total financial liabilities	-	-	**48,681**	**48,681**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost				
Trade Receivable	-	-	45,476	**45,476**
Loans	-	-	12,274	**12,274**
Cash and Cash equivalents	-	-	16,615	**16,615**
Other financial assets	-	2,124	1,610	**3,734**
Total financial assets	-	**2,124**	**75,975**	**78,099**
Financial liabilities				
Financial liabilities measured at amortised cost				
Lease liabilities	-	-	1,358	**1,358**
Trade payables	-	-	44,332	**44,332**
Other financial liabilities	-	-	231	**231**
Total financial liabilities	-	-	**45,921**	**45,921**

*The carrying amounts of trade receivables, borrowings, cash and cash equivalents, other financial assets, trade payables, lease liabilities and other financial liabilities are considered to be the same as their face values.

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(All amounts in USD'000, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period

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

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

(ii) Valuation technique used

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

33 Financial risk management

The Company, as an internationally active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the Company is exposed to and how it manages the risk.

A. Market risk

Market risk is the risk that the fair value of future cashflows of a financial instruments will fluctuate because of changes in market price/ rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/ receivables in foreign currencies.

a. Price risk

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company. The Group has set up Global Sourcing Procurement (GSP) at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

The key raw material for the Company's wiring harness business is copper. There is substantial fluctuations in prices of copper. The Company has arrangements with its major customers for passing on the price impact.

The Company is regularly taking initiatives like VA-VE (value Addition , value engineering) to reduce its raw material costs to meet targets set up by the customers for cost downs. In respect of customer nominated parts, the Company has back to back arrangements for cost savings with its suppliers.

b. Foreign currency risk

The exchange variations has mainly impacted the imports but however the Company has arrangements with its customers for passing on the exchange impact on import pu

The derivative instruments exposure is as follows

(i) Derivatives outstanding as at the reporting date

Particulars / Purpose	Currency	March 31, 2023	March 31, 2022
Forward Contracts (Sell)	USD	12,075	35,214
	MXN	260,000	761,000

Particular of unhedged foreign exposure as at the reporting date (Net exposure to foreign currency risk):

	March 31, 2023		March 31, 2022	
	Amount in Foreign currency	Amount in USD	Amount in Foreign currency	Amount in USD
Trade Payables				
MXN	242,084	13,442	194,456	9,799
EUR	333	361	106	117
GBP	11	13	-	-

Foreign currency sensitivity on unhedged exposure

1% increase / decrease in foreign exchange rates will have the following impact on profit before tax:

	March 31, 2023	March 31, 2022
Increase by 1% in forex rate	138	99
Decrease by 1% in forex rate	(138)	(99)

The Foreign trade payable exposure is MXN 242,084 & MXN 194,456 for the year ended March 31, 2023 and March 31, 2022 and the exposure is completely hedged through forward contracts.

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(All amounts in USD'000, unless otherwise stated)

B. Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers.

Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are comercial vehicles, agriculture, offroad manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

C. Liquidity risk

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed by Company. The rolling forecasts of the Company's liquidity requirements is prepared to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities/overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities:

Year ended March 31, 2023	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade Payables	46,173	905	-	**47,078**
Lease liabilities	684	610	-	**1,294**
Other financial liabilities	309	-	-	**309**
Total non-derivatives liabilities	**47,166**	**1,515**	-	**48,681**

Year ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade Payables	43,939	393	-	**44,332**
Lease liabilities	572	786	-	**1,358**
Other financial liabilities	231	-	-	**231**
Total non-derivatives liabilities	**44,741**	**1,179**	-	**45,920**

Impact of Hedging Activities

(a) Disclosure of effects of hedge accounting on financial position

March 31, 2023

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments		Maturity date	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Cash Flow Hedge		Assets	Liabilities				
MXN:USD	MXN 260,000	2,105	-	April 22 - March	USD:MXN 21.53	2,105	2,105

March 31, 2022

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments		Maturity date	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Cash Flow Hedge		Assets	Liabilities				
MXN:USD	MXN 761,000	2,124	-	April 21 - March	USD:MXN 21.62	2,124	2,124

Hedge ratio is 1:1 for March 31, 2023 and March 31, 2022

34 Capital Management

Risk management

The Company's objectives when managing capital is 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. Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2023	March 31, 2022
Net Debt/(cash in hand)*	(26,277)	(16,615)
EBITDA	30,785	28,992
Net Debt/(cash in hand) to EBITDA	**(0.85)**	**(0.57)**

*There is excess cash in hand as on 31 March 2022 and 31 March 2023 which resulted in negative ratio

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(All amounts in USD'000, unless otherwise stated)

35 Segment Information

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments . The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments".

Disaggregated information

	March 31, 2023	March 31, 2022
i) Revenue from external customers		
United States	323,388	254,389
Outside United States	1,901	755
	325,289	**255,144**

	March 31, 2023	March 31, 2022
ii) Type of goods or Services		
Sales of Products	328,364	253,412
Tool development	2,334	2,657
Sale of services	443	6,052
	331,141	**262,121**

	March 31, 2023	March 31, 2022
iii) Timing of revenue recognition		
At a point in time	328,807	259,464
Over a period of time	2,334	2,657
	331,141	**262,121**

	March 31, 2023	March 31, 2022
iv) Capital expenditure	2,476	2,897

Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows:

Party name	March 31, 2023	March 31, 2022
Customer 1	61,912	47,656
Customer 2	137,894	106,163
Customer 3	36,661	29,582
Customer 4	35,850	23,000

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(All amounts in USD'000, unless otherwise stated)

36 Related Party Disclosures

Related party disclosures, as required by Ind AS 24, "Related Party Disclsosures" are given below:

A Name of the related parties and description of relationships

a. Entities with control over the entity

1	Holding company	MSSL Consolidated Inc.
2	Ultimate holding company	Samvardhana Motherson International Limted (formerly known as Motherson Sumi Systems Limited)

b. Entities where common control exists

1 MSSL Mauritius Holdings Limited
2 Motherson Electrical Wires Lanka Private Limited
3 MSSL Mideast (FZE)
4 MSSL (S) Pte Limited
5 Motherson Innovations Tech Limited (formerly MSSL Automobile Component Limited)
6 Samvardhana Motherson Polymers Limited
7 MSSL (GB) Limited
8 Motherson Wiring System (FZE)
9 MSSL Tooling (FZE)
10 MSSL GmbH
11 MSSL Advanced Polymers s.r.o.
12 Motherson Air Travel Agency GmbH (formerly known as Motherson Techno Precision GmbH)
13 MSSL Germany Real Estate B.V. & Co. KG
14 MSSL s.r.l. Unipersonale
15 Motherson Techno Precision México, S.A. de C.V
16 Motherson Air Travel Pvt Ltd
17 MSSL Australia Pty Limited
18 Motherson Elastomers Pty Limited
19 Motherson Investments Pty Limited
20 MSSL Ireland Private Limited
21 MSSL Global RSA Module Engineering Limited
22 MSSL Japan Limited
23 Vacuform 2000 (Proprietary) Limited
24 MSSL México, S.A. De C.V.
25 MSSL WH System (Thailand) Co., Ltd
26 MSSL Korea WH Limited
27 Alphabet de Mexico, S.A. de C.V.
28 Alphabet de Mexico de Monclova, S.A. de C.V.
29 Alphabet de Saltillo, S.A. de C.V.
30 MSSL Wirings Juarez, S.A. de C.V.
31 Samvardhana Motherson Global Holdings Ltd.
32 Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV)
33 Samvardhana Motherson Reflectec Group Holdings Limited (SMR)
34 SMR Automotive Technology Holding Cyprus Limited
35 SMR Automotive Mirror Parts and Holdings UK Ltd
36 SMR Automotive Holding Hong Kong Limited
37 SMR Automotive Systems India Limited
38 SMR Automotive Systems France S.A.
39 SMR Automotive Mirror Technology Holding Hungary KFT
40 SMR Patents S.à.r.l.
41 SMR Automotive Technology Valencia S.A.U.
42 SMR Automotive Mirrors UK Limited
43 SMR Automotive Mirror International USA Inc.
44 SMR Automotive Systems USA Inc.
45 SMR Automotive Beijing Company Limited
46 SMR Automotive Yancheng Co. Limited
47 SMR Automotive Mirror Systems Holding Deutschland GmbH
48 SMR Holding Australia Pty Limited
49 SMR Automotive Australia Pty Limited
50 SMR Automotive Mirror Technology Hungary BT
51 Motherson Business Service Hungary Kft.
52 SMR Automotive Modules Korea Ltd.
53 SMR Automotive Beteiligungen Deutschland GmbH
54 SMR Hyosang Automotive Ltd.
55 SMR Automotive Mirrors Stuttgart GmbH
56 SMR Automotive Systems Spain S.A.U.
57 SMR Automotive Vision Systems Mexico S.A. de C.V.
58 Samvardhana Motherson Corp Management Shanghai Co Ltd.
59 SMR Grundbesitz GmbH & Co. KG
60 SMR Automotive Brasil Ltda.
61 SMR Automotive System (Thailand) Limited
62 SMR Automotives Systems Macedonia Dooel Skopje

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63 SMR Automotive Operations Japan K.K.
64 SMR Automotive (Langfang) Co. Ltd
65 SMR Automotive Vision System Operations USA INC
66 SMR Mirror UK Limited
67 Motherson Innovations Company Limited
68 Motherson Innovations Deutschland GmbH
69 Samvardhana Motherson Global (FZE)
70 SMR Automotive Industries RUS Limited Liability Company
71 Re-time Pty Limited
72 SMR Plast Met Molds and Tools Turkey Kalıp İmalat Anonim Sirketi
73 SMR Plast Met Automotive Tec Turkey Plastik İmalat Anonim Şirketi
74 Samvardhana Motherson Peguform GmbH (SMP)
75 SMP Automotive Interiors (Beijing) Co. Ltd.
76 SMP Deutschland GmbH
77 SMP Logistik Service GmbH
78 SMP Automotive Solutions Slovakia s.r.o.
79 Changchun Peguform Automotive Plastics Technology Co., Ltd.
80 Foshan Peguform Automotive Plastics Technology Co. Ltd.
81 Tianjin SMP Automotive Component Company Limited
82 Shenyang SMP Automotive Trim Co., Ltd
83 SMP Automotive Technology Iberica S.L.
84 Samvardhana Motherson Peguform Barcelona S.L.U
85 SMP Automotive Technologies Teruel Sociedad Limitada
86 Samvardhana Motherson Peguform Automotive Technology Portugal S.A.
87 SMP Automotive Systems Mexico S.A. de C.V.
88 SMP Automotive Produtos Automotivos do Brasil Ltda.
89 SMP Automotive Exterior GmbH
90 Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
91 Samvardhana Motherson Innovative Autosystems Holding Company BV
92 SM Real Estate GmbH
93 Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V.
94 SMP Automotive Systems Alabama Inc.
95 Celulosa Fabril (Cefa) S.A.
96 Modulos Ribera Alta S.L.Unipersonal
97 Motherson Innovations Lights GmbH & Co KG
98 Motherson Innovations Lights Verwaltungs GmbH
99 Zhaoqing SMP Automotive Co., Ltd.
100 SMP D Real Estates B.V. & Co. KG
101 SMP Automotive Ex Real Estate B.V. & Co. KG
102 SMP Automotive Interior Modules d.o.o. Ćuprija
103 MSSL Estonia WH OÜ
104 PKC Group Oy
105 PKC Wiring Systems Oy
106 PKC Group Poland Sp. z o.o.
107 PKC Wiring Systems Llc
108 PKC Group APAC Limited
109 PKC Group Canada Inc.
110 PKC Group USA Inc.
111 PKC Group Mexico S.A. de C.V.
112 Project del Holding S.a.r.l.
113 PK Cables do Brasil Ltda
114 PKC Eesti AS
115 TKV-sarjat Oy
116 Motherson Rolling Stocks S. de R.L. de C.V.
117 PKC SEGU Systemelektrik GmbH
118 Groclin Luxembourg S.à r.l.
119 PKC Vehicle Technology (Suzhou) Co., Ltd.
120 AEES Inc.
121 PKC Group Lithuania UAB
122 PKC Group Poland Holding Sp. z o.o.
123 OOO AEK
124 Kabel-Technik-Polska Sp. z o.o.
125 T.I.C.S. Corporation
126 AEES Power Systems Limited partnership
127 Fortitude Industries Inc.
128 AEES Manufactuera, S. De R.L de C.V.
129 Cableodos del Norte II, S. de R.L de C.V.

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130 Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
131 Arneses y Accesorios de México, S. de R.L de C.V.
132 Asesoria Mexicana Empresarial, S. de R.L de C.V.
133 Arneses de Ciudad Juarez, S. de R.L de C.V.
134 PKC Group de Piedras Negras, S. de R.L. de C.V.
135 PKC Group AEES Commercial S. de R.L de C.V
136 Jiangsu Huakai-PKC Wire Harness Co., Ltd.
137 PKC Vechicle Technology (Hefei) Co, Ltd.
138 PKC Vehicle Technology (Fuyang) Co., Ltd.
139 Shangdong Huakai-PKC Wire Harness Co., Ltd.
140 Jilin Huakai - PKC Wire Harness Co. Ltd.
141 Motherson PKC Harness Systems FZ-LLC
142 Wisetime Oy
143 Global Environment Management (FZC)
144 SMRC Automotive Holdings Netherlands B.V.
145 SMRC Automotives Techno Minority Holdings B.V.
146 SMRC Automotive Modules France SAS
147 Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
148 SMRC Automotive Interiors Spain S.L.U.
149 SMRC Automotive Interior Modules Croatia d.o.o
150 Samvardhana Motherson Reydel Autotecc Morocco SAS
151 SMRC Automotive Technology RU LLC
152 SMRC Smart Interior Systems Germany GmbH
153 SMRC Automotive Solutions Slovakia s.r.o.
154 SMRC Automotive Holding South America B.V.
155 SMRC Automotive Modules South America Minority Holdings B.V.
156 SMRC Automotive Tech Argentina S.A.
157 SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda
158 SMRC Automotive Products India Limited
159 SMRC Automotive Smart Interior Tech (Thailand) Ltd.
160 SMRC Automotive Interiors Japan Ltd.
161 Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.
162 PT SMRC Automotive Technology Indonesia
163 Yujin SMRC Automotive Techno Corp.
164 SMRC Automotives Technology Phil Inc.
165 Motherson Consultancies Service Limited
166 Samvardhana Motherson Finance Service Cyprus Limited
167 Samvardhana Motherson Holding (M) Private Limited
168 Samvardhana Motherson Auto Component Private Limited
169 MS Global India Automotive Private Limited
170 Samvardhana Motherson Maadhyam International Limited
171 Samvardhana Motherson Global Carriers Limited
172 Samvardhana Motherson Innovative Solutions Limited
173 Samvardhana Motherson Refrigeration Product Limited
174 Motherson Machinery and Automations Limited
175 Samvardhana Motherson Auto System Private Limited
176 Motherson Sintermetal Technology B.V.
177 Motherson Invenzen XLab Private Limited
178 Motherson Technology Services Limited (formerly known as MothersonSumi Infotech & Designs Limited)
179 Motherson Technology Services USA Limited (formerly known as MSID U.S. Inc.)
180 Motherson Technology Services Gmbh (Formerly known as MothersonSumi Infotech And Designs Gmbh)
181 Motherson Technology Services SG PTE. Limited (formerly known as MothersonSumi INfotech and Designs SG Pte. Ltd.)
182 Motherson Technology Services Kabushiki Gaisha(formerly known as MothersonSumi INfotech & Designs K.K.)
183 Motherson Technology Service Mid East FZ-LLC (Formerly known as Motherson Infotek Designs Mid East FZ-LLC)
184 Motherson Technology Services United Kingdom Limited (Formerly known as MothersonSumi Infotech & Solutions UK Limited)
185 Motherson Auto Engineering Service Limited
186 Samvardhana Motherson Health Solutions Limited
187 SMI Consulting Technologies Inc.
188 Motherson Technology Services Spain S.L.U. (Formerly known as Motherson Information Technologies Spain S.L.U.)
189 Samvardhana Motherson Virtual Analysis Limited
190 SAKS Ancillaries Limited
191 Samvardhana Motherson Hamakyorex Engineered Logistics Limited
192 Motherson Techno Tools Limited
193 Motherson Techno Tools Mideast FZE
194 Motherson Molds and Diecasting Limited
195 Motherson Air Travel Agencies Limited
196 CTM India Limited

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197 Fritzmeier Motherson Cabin Engineering Private Limited (became subsidiary w.e.f. March 20, 2023)
198 CIM Tools Private Limited
199 Aero Treatment Private Limited
200 Motherson Automotive Giken Industries Corp Ltd.
201 Motherson Electronic Components Pvt. Ltd
202 SMP Automotive Technology Management Services (Changchun) Co. Ltd. (liquidated w.e.f May 8, 2021)
203 Motherson Innovations LLC (liquidated w.e.f June 09, 2022)
204 Motherson Ossia Innovations llc. (liquidated w.e.f June 09, 2022)
205 Shenyang SMP Automotive Plastic Component Co. Ltd. (liquidated w.e.f March 20, 2023)
206 Motherson Rolling Stock Systems GB Limited (liquidated w.e.f. 26.01.2023)
207 Samvardhana Motherson Invest Deutschland GmbH (merged with MSSL GmbH w.e.f. September 06, 2022)
208 Motherson Air Travel Agency GmbH (merged with Motherson Techno Precision GmbH w.e.f. September 09, 2022)
209 SMRC Automotive Interiors Products Poland SA (liquidated w.e.f. April 06, 2021)
210 SMRC Smart Automotive Interior Technologies USA, LLC (liquidated w.e.f May 07, 2021)
211 SMRC Automotive Holdings B.V. (merged with SMRC Automotive Holdings Netherlands B.V. w.e.f. April 01, 2022)
212 MSSL Manufacturing Hungary Kft (Merged with SMR Automotive Mirror Technology Hungary BT w.e.f. October 01, 2022)

c. Other related Parties

1 Motherson Sumi Wiring India Limited
2 Kyungshin Industrial Motherson Private Limited
3 Calsonic Kansei Motherson Auto Products Private Limited
4 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (indirectly through Subsidiary)
5 Chongqing SMR Huaxiang Automotive Products Limited (indirectly through Subsidiary)
6 Tianjin SMR Huaxiang Automotive Part Co. Limited (indirectly through Subsidiary)
7 Nanchang JMCG SMR Huaxiang Mirror Co. Ltd (indirectly through Subsidiary)
8 Eissmann SMP Automotive Interieur Slovensko s.r.o (indirectly through Subsidiary)
9 Anest Iwata Motherson Coating Equipment Private Limited
10 Anest Iwata Motherson Private Limited
11 Valeo Motherson Thermal Commercial Vehicles India Limited
12 Matsui Technologies India Limited
13 Frigel Intelligent Cooling Systems India Private Limited
14 Nissin Advanced Coating Indo Co. Private Limited
15 Motherson Bergstrom HVAC Solutions Private Limited
16 Marelli Motherson Automotive Lighting India Private Ltd.
17 Motherson Auto Solutions Limited
18 Marelli Motherson Auto Suspension Parts Pvt Ltd
19 Youngshin Motherson Auto Tech Limited
20 Lauak CIM Aerospace Private Limited (indirectly through Subsidiary)
21 Hubei Zhengao PKC Automotive Wiring Company Ltd. (indirectly through subsidiary)
22 AES (India) Engineering Limited

d. Key Managerial Personnel

Duncan Reid (COO, retired w.e.f. June 1, 2021)
Jim Kennedy (COO, w.e.f. April 1, 2021)

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36 **Related Party Disclosures**

(All amounts in USD'000, unless otherwise stated)

B. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 36 (A) above:

Key management personnel compensation

	March 31,2023	March 31, 2022
Short-term employee benefits	555	344

Transactions with related parties

S.No.	Particulars	Holding and Ultimate holding Company		Fellow subsidiaries		Other related parties		Total	Total
		March 31,2023	March 31,2022	March 31,2023	March 31, 2022	March 31,2023	March 31, 2022	March 31,2023	March 31, 2022
1	Sales of Goods	546	1,049	3,831	3,692	1,474	2,236	5,852	6,977
2	Miscellaneous Income	54	52	120	93	-	-	174	145
3	Purchase of Goods	-	597	17,293	11,133	-	993	17,293	12,723
4	Freight expenses	403	46	197	98	-	307	600	451
5	Travelling expenses	-	-	12	-	-	-	12	-
6	Software and Services expenses	354	354	701	644	-	-	1,056	998
7	Dividend paid	5,000	7,000	-	-	-	-	5,000	7,000
8	Loans given during the year	2,053	1,126	18,000	-	-	-	20,053	1,126
9	Loans received back during the year	-	-	18,000	-	-	-	18,000	-
10	Contract manufacturing cost	-	-	108,103	81,796	-	-	108,103	81,796
11	Management and Service fees	2,537	2,351	713	606	-	-	3,250	2,957
12	Advances given during year	-	-	5,000	-	-	-	5,000	-
13	Advances received back during the year	-	-	5,000	-	-	-	5,000	-
14	Interest income	-	-	109	-	-	-	109	-

Outstanding balances as at year end

S.No.	Particulars	Holding and Ultimate Holding Company		Fellow Subsidiaries		Other related parties		Total	Total
		March 31,2023	March 31,2022	March 31,2023	March 31, 2022	March 31,2023	March 31, 2022	March 31,2023	March 31, 2022
1	Trade payables	965	1,072	15,377	11,858	-	436	16,342	13,366
2	Trade receivables	102	157	599	958	542	388	1,243	1,503
3	Loans receivables	14,327	12,274	-	-	-	-	14,327	12,274

Note: Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

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(All amounts in USD'000, unless otherwise stated)

37 Capital and other Commitments

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

	March 31, 2023	March 31, 2022
Property, Plant and equipment		
Estimated value of contracts in capital account remaining to be executed	936	1,246

38 Contingent Liabilities

The Company assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. The Company does not have any contingent liabilities as on balance sheet dates.

39 Ind AS 115 Revenue from contracts with customers

The contracts where the entity is acting as an agent, the revenue from sales of goods was recognised excluging the cost of components sold. Following are the details:

	March 31, 2023	March 31, 2022
Gross revenue	3,997	49,559
Cost	3,554	43,507
Service Income	443	6,052

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2023	March 31, 2022
Receivables	45,844	45,476
Contract assets	3,528	1,462
Contract liabilities	6,176	3,044

Contract assets are initially recognised for revenue earned from development of tools and secondary equipment as receipt of consideration is conditional on successful completion and acceptance by the customer. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The expected credit loss on contract assets is considered very low and hence no provision for credit loss is recorded in respect of contract assets.

40 Leases

The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease of low-value assets.

The Company has leases contracts for building, plant & machinery, computers and vehicles. These leases arrangements for buildings are for a period upto 7 years, plant & machinery and computers are for a period upto 5 years and vehicles are for a period upto 7 years. The Company also has certain leases of machinery, computers, vehicles with lease terms of 12 months or less and leases of office equipments with low value. The company applies the short-term lease of low-value assets reconigtion exemptions for these leases.

The carrying amounts of right to use assets and lease liabilities is given below:

.	March 31, 2023	March 31, 2022
Right of use assets	1,216	1,297
Current lease liabilities	684	571
Non Current lease liabilities	610	786

Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	March 31, 2023	March 31, 2022
Interest expense on lease liabilities (included in finance cost)	54	70
Depreciation of Right of Use assets	702	597
Lease expense derecognised	736	650
Other items included in statement of profit and loss during the year:		
Short term and low value lease payments	18	29

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(All amounts in USD'000, unless otherwise stated)

41 Ratio analysis

Ratio	March 31, 2023	March 31, 2022	%age	Remarks
(a) Current ratio (in times) [Current Assets/Current Liabilities]	2.44	2.34	4.16%	Refer Note below
(b) Debt- Equity Ratio (in times) [(Long term borrowing including current maturities+ short term borrowing + lease liabilities)/Shareholder's Equity]	0.01	0.02	-19.61%	Refer Note below
(c)Debt Service Coverage ratio (in times) [(Earnings before interest, depreciation, dividend income, interest income, loss on sale of FA and exceptional items but after tax) /(Interest expense on short term and long term borrowings + scheduled principal repayment of long term borrowing during the year)]	34.58	39.39	-12.22%	Refer Note below
(d) Return on Equity ratio ((in %) [Net Profits after taxes)/Average Shareholder's Equity]	21%	24%	-14.17%	Refer Note below
(e) Inventory Turnover ratio [Cost of goods sold/Average Inventory]	3.75	3.68	1.90%	Refer Note below
(f) Trade Receivable Turnover Ratio (Revenue from contract with customers /Average trade receivables]	7.29	6.09	19.81%	Refer Note below
(g) Trade Payable Turnover Ratio [Purchase of goods / Average trade payable]	3.56	3.16	12.84%	Refer Note below
(h) Net Capital Turnover Ratio [Revenue from contract with customers / Average working capital excluding current maturities of long term debt]	3.37	3.12	7.95%	Refer Note below
(i) Net Profit ratio (in %) [Profit/(loss) for the period/Revenue from operations]	7%	8%	-19.45%	Refer Note below
(j) Return on Capital Employed (in %) [Earnings before interest expense, interest income and taxes/Average capital employed] Capital Employed = Total assets- Total current liabilities)	28%	30%	-6.69%	Refer Note below
(k) Return on Investment (Dividend income / Investment (on which dividend income earned))	NA	NA	NA	Refer Note below

Note: In accordance with the requirements, changes in ratios of more than 25% as compared to previous year have been explained

42 **Offsetting financial assets and financial liabilities**
The Company does not have any offsetting financial assets and liabilities.

43 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Pankaj Chadha
Partner
Membership No.: 091813

Place: Gurugram
Date: September 25, 2023

S. R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board

DocuSigned by:
Sukant Gupta
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Sukant Gupta
Director

Date: September 25, 2023

DocuSigned by:
7CA9D63181F54C1...
Pankaj Mital
Director

Date: September 25, 2023