Motherson Invenzen X-lab Private Limited
CIN: U72300MH2014PTC392255
Balance Sheet as on March 31, 2023
(All amounts in INR thousand, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,828	2,361
Intangible assets	4	886	1,015
Right-of-use assets	5	2,765	803
Other financial assets	6	45	45
Total non-current assets		**6,524**	**4,224**
Current assets			
Inventories	8	31,931	21,589
Financial assets			
i. Trade receivables	9	40,115	23,632
ii. Cash and cash equivalents	10	3,313	1,342
iii. Other financial assets	6	1,304	873
Current tax assets (net)	11	592	652
Other current assets	12	1,558	514
Total current assets		**78,813**	**48,602**
Total assets		**85,337**	**52,826**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	204	204
Instruments equity in nature	14	49,900	49,900
Other equity			
Reserves and surplus	15	(397,882)	(367,909)
Total equity		**(347,778)**	**(317,805)**
Liabilities			
Non current liabilities			
Financial Liabilities			
i. Long-term borrowings	16	57,000	66,000
ii. Lease liabilities		2,327	-
ii. Other financial liabilities	17	17,675	22,922
Provision for employee benefits	18	8,883	5,293
Total non-current liabilities		**85,885**	**94,215**
Current liabilities			
Financial liabilities			
i. Short-term borrowings	16	211,500	184,500
ii. Trade payables	19		
Total outstanding dues of micro and small enterprises		749	529
Total outstanding dues of creditors other than micro and small enterprises		25,891	15,011
iii. Other financial liabilities	17	104,255	73,930
IV. Lease Liabilities		467	969
Provision for employee benefits	18	187	117
Other current liabilities	20	4,181	1,360
Total current liabilities		**347,230**	**276,416**
Total liabilities		**433,115**	**370,631**
Total equity and liabilities		**85,337**	**52,826**

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements. 1-45

For and on behalf of the board

VIVEK AVASTHI Digitally signed by VIVEK AVASTHI Date: 2023.04.28 14:26:18 +05'30'

RAJESH THAKUR Digitally signed by RAJESH THAKUR

Vivek Avasthi
Director
DIN: 00033876

Rajesh Thakur
Director
DIN: 0009584640

RANJEET YADAV Digitally signed by RANJEET YADAV Date: 2023.04.28 13:09:05 +05'30'

Prashant Dalmia
Chief Operating Officer
PAN: AIXPD5012A

Ranjeet Yadav
Finance Head
PAN: ABLPY5888Q

As per our report of even date
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

VIPIN BALI Digitally signed by VIPIN BALI Date: 2023.04.28 16:40:46 +05'30'

Vipin Bali
Partner
M.No. 083436

Place: Noida
Date: April 28,2023

PRASHANT DALMIA
Digitally signed by PRASHANT DALMIA
Reason: I am the author of this document
Location: Noida
Date: 2023.04.28 13:26:21+05'30'
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Motherson Invenzen X-lab Private Limited

CIN: U72300MH2014PTC392255

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

(All amounts in INR thousand, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from operations	21	163,127	130,620
Other income	22	87	461
Total income		**163,214**	**131,081**
Expenses			
Cost of material consumed	23	79,539	58,678
Changes in inventory of finished goods and work-in-progress	24	(1,257)	(1,160)
Employee benefits expense	25	51,035	42,123
Finance costs	26	25,278	22,655
Depreciation and amortization expense	27	2,731	2,691
Other expenses	28	35,422	24,555
Total expenses		**192,748**	**149,542**
Profit/(loss) before tax		**(29,534)**	**(18,461)**
Tax expenses	29		
-Current tax		-	-
-Deferred tax expense/ (credit)		-	-
-Income tax for earlier years		-	-
Profit/(loss) for the year		**(29,534)**	**(18,461)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations gain/(loss)	18	(439)	90
Other comprehensive income for the year, net of tax		**(439)**	**90**
Total comprehensive income for the year		**(29,973)**	**(18,371)**
Earnings/ (loss) per share:	30		
Nominal value per share: INR 10 (Previous year : INR 10)			
Basic (absolute figures)		(1,447)	(905)
Diluted (absolute figures)		(5.89)	(3.68)

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements. 1-45

For and on behalf of the board

VIVEK AVASTHI
Digitally signed by VIVEK AVASTHI
Date: 2023.04.28 14:26:58 +05'30'

Vivek Avasthi
Director
DIN: 00033876

RAJESH THAKUR
Digitally signed by RAJESH THAKUR
DN: C=IN, S=Uttar Pradesh, Phone=6dd501ddeca38df7ba71ca48dcae5207ed872aa30ea6d0f69d6235e82cea1fcb, PostalCode=201304, STREET="B-003, OMAXE FOREST SPA, SEC-93B, NOIDA", OID.2.5.4.65=f4b2f45b6632c72f7fcc7d06a89b4877, SERIALNUMBER=f39c642633cfa4c138db2c66cde238e44bf1b3c7be135f612967b7783cc088c7, O=Personal, CN=RAJESH THAKUR
Reason: I am the author of this document
Location:
Date: 2023-04-28 15:30:49

Rajesh Thakur
Director
DIN: 0009584640

RANJEET YADAV
Digitally signed by RANJEET YADAV
Date: 2023.04.28 13:09:41 +05'30'

Prashant Dalmia
Chief Operating Officer
PAN: AIXPD5012A

Ranjeet Yadav
Finance Head
PAN: ABLPY5888Q

PRASHANT DALMIA
Digitally signed by PRASHANT DALMIA
DN: C=IN, S=Uttar Pradesh, Phone=b2a9802644f2ae296ce4b63e976db94b452003307cc5fd4cf7e0c22201b9dd91, PostalCode=201301, STREET="KESAR GARDEN APARTMENT - B -501,NEAR BAROLA, SECTOR - 48, NOIDA", OID.2.5.4.65=50d8cd8c9b31e92d235fd395f35e02ab, SERIALNUMBER=78cca02a374220214a76f798865ceec3b5c2e45a15a662711487800263324003, O=Personal, CN=PRASHANT DALMIA
Reason: I am the author of this document
Location: Noida
Date: 2023.04.28 13:26:56 +05'30'
Foxit PDF Reader Version: 12.1.1

Place: Noida
Date: April 28,2023

As per our report of even date
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

VIPIN BALI
Digitally signed by VIPIN BALI
Date: 2023.04.28 16:41:13 +05'30'

Vipin Bali
Partner
M.No. 083436

Motherson Invenzen X-lab Private Limited
CIN: U72300MH2014PTC392255
Cash Flow Statement for the year ended March 31, 2023
(All amounts in INR thousand, unless otherwise stated)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities:			
Net profit/(loss) before tax		**(29,534)**	**(18,461)**
Adjustments for:			
Depreciation and amortisation		2,731	2,691
Profit on Sale of Fixed Assets		(2)	-
Provision for employee benefits		70	6
Provision for doubtful debts		40	34
Reversal of provision for doubtful debts		(795)	(416)
Provision for slow-moving inventory		-	321
Reversal of provision for slow-moving inventory		(761)	-
Reversal of provision for expenses		-	(689)
Interest income		(35)	(17)
Finance cost		25,278	22,655
Unrealised -Exchange fluctuation gain		(97)	(397)
Operating profit/(loss) before working capital changes		**(3,105)**	**5,728**
Changes in working capital:			
Increase/(decrease) in trade payables		11,196	633
Increase/(decrease) in other financial liabilities		2,051	(13)
Increase/(decrease) in other current liabilities		5,972	(1,476)
(Increase)/decrease in trade receivables		(15,728)	1,897
(Increase)/decrease in inventories		(9,582)	(5,662)
(Increase)/decrease in other financial assets		(431)	(132)
(Increase)/decrease in other current assets		(1,043)	2,347
Cash used in operations		**(10,671)**	**3,323**
Less: Taxes paid		(647)	(681)
Add: Income tax refund		708	266
Add: Interest received on income Tax refund		35	16
Net cash used in operations	**A**	**(10,576)**	**2,923**
Cash flow from investing activities:			
Proceed from sale of fixed assets		40	-
Payments for property, plant, equipment and Intangible assets		(2,175)	(1,413)
Interest income from deposits with bank		-	1
Net cash used in investing activities	**B**	**(2,135)**	**(1,412)**
Cash flow from financing activities:			
Interest paid		(2,146)	(2,445)
Repayment of lease liabilities		(1,171)	(1,410)
Proceeds from long term borrowings		18,000	-
Net cash flow from financing activities	**C**	**14,682**	**(3,855)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**1,971**	**(2,344)**
Add: Net cash and cash equivalents at the beginning of the year		1,342	3,686
Cash and cash equivalents as at current year closing		**3,313**	**1,342**
Cash and cash equivalents comprise of the following (refer note 10)			
Cash in hand		13	13
Balances with banks		3,299	1,329
Cash and cash equivalents as per Balance Sheet		**3,313**	**1,342**

Notes:
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.
iii) The above cash flow statements should be read in conjunction with the accompanying notes.

For and on behalf of the board

VIVEK AVASTHI
Digitally signed by VIVEK AVASTHI
Date: 2023.04.28 14:27:26 +05'30'

Vivek Avasthi
Director
DIN: 00033876

RAJESH THAKUR

Rajesh Thakur
Director
DIN: 0009584640

As per our report of even date
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

VIPIN BALI
Digitally signed by VIPIN BALI
Date: 2023.04.28 16:41:34 +05'30'

Vipin Bali
Partner
M.No. 083436

RANJEET YADAV
Digitally signed by RANJEET YADAV
Date: 2023.04.28 13:10:03 +05'30'

Prashant Dalmia
Chief Operating Officer
PAN: AIXPD5012A

Ranjeet Yadav
Finance Head
PAN: ABLPY5888Q

PRASHANT DALMIA

Place: Noida
Date: April 28,2023

Motherson Invenzen X-lab Private Limited
Statement of changes in equity
(All amounts in INR thousand, unless otherwise stated)

A.(i) Equity share capital

	Notes	Amount
As at April 01, 2021		204
Issue of equity share capital	13	-
As at March 31, 2022		204
Issue of equity share capital	13	-
As at March 31, 2023		**204**

(ii) **Instruments entirely equity in nature**

	Notes	Amount
As at April 01, 2021		49,900
Issue of optionally convertible redeemable preference shares	14	-
As at March 31, 2022		49,900
Issue of optionally convertible redeemable preference shares	14	-
As at March 31, 2023		**49,900**

B. Other equity	Reserves and surplus				Total
	Securities premium	Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 01, 2021	-	-	-	(349,538)	(349,538)
Profit for the year	-	-	-	(18,461)	(18,461)
Other comprehensive income	-	-	-	90	90
Total comprehensive income for the year	-	-	-	(18,371)	(18,371)
Balance at March 31, 2022	**-**	**-**	**-**	**(367,909)**	**(367,909)**
Profit for the year	-		-	(29,534)	(29,534)
Other comprehensive income	-		-	(439)	(439)
Total comprehensive income for the year	**-**	**-**	**-**	(29,973)	(29,973)
Balance at March 31, 2023	**-**	**-**	**-**	**(397,882)**	**(397,882)**
Summary of significant accounting policies					

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For and on behalf of the board

VIVEK AVASTHI Digitally signed by VIVEK AVASTHI Date: 2023.04.28 14:27:56 +05'30'

RAJESH THAKUR

Vivek Avasthi
Director
DIN: 00033876

Rajesh Thakur
Director
DIN: 0009584640

As per our report of even date
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

RANJEET YADAV Digitally signed by RANJEET YADAV Date: 2023.04.28 13:10:26 +05'30'

VIPIN BALI Digitally signed by VIPIN BALI Date: 2023.04.28 16:42:00 +05'30'

Prashant Dalmia
COO
PAN: AIXPD5012A

PRASHANT DALMIA

Ranjeet Yadav
Finance Head
PAN: ABLPY5888Q

Vipin Bali
Partner
M.No. 083436

Place: Noida
Date: April 28,2023

1 Corporate Information

(a) Erstwhile Samvardhana Motherson International Limited (SAMIL) invested in the equity and preference shares of the company in the financial year 2015-16. The said company was incorporated as Invenzen Technologies Private Limited on 6 February, 2014 and the founders of the said company and SAMIL entered into a Joint Venture agreement on 26 March, 2015 consequent to which SAMIL invested in the equity capital and preference capital of the company and thereby held 51% of the equity capital and 100% of preference capital of the company; the earlier founders held 49% of the equity capital. The name of the company was changed from Invenzen Technologies Private Limited to Motherson Invenzen XLab Private Limited on 22nd May 2015.

During the year 2020-21 the founder shareholders holding 49% of the equity share capital transferred their shares to SAMIL on June 23, 2020. Pursuant to such transfer of shares by founders to SAMIL, the Company became a wholly- owned subsidiary of SAMIL w.e.f. June 23, 2020.

(b) The Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated December 22, 2021 sanctioned the composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (MSSL) and SAMIL resulting in merger of SAMIL with MSSL . The appointed and effective date of the merger was January 21, 2022. Accordingly, equity shares held by SAMIL in the company stood transferred to MSSL on January 21, 2022. Consequently, the company became a wholly owned subsidiary of MSSL w.e.f. January 21, 2022. The name of Motherson Sumi Systems Limited (MSSL) was changed to Samvardhana Motherson International Limited (SAMIL) w.e.f. 18th May 2022.

(c) The company's main business is designing and/or manufacturing and/or sub-contracting of Telematics devices, Audio and infotainment systems.

(d) The company's registered address has been changed from 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, North Delhi 110044 Delhi to Unit-705, C Wing, One BKC, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051 Maharashtra effective 17th October 2023; as a result of change in registered office from Delhi to Maharashtra, Corporate Identification Number was also changed from U72300DL2014PTC264533 to U72300MH2014PTC392255.

(e) Merger with Samvardhana Motherson International Limited (SAMIL)
The Board of Directors at the meeting held on January 25, 2023 accepted and approved the Scheme of Amalgamation of the company (Transferor Company) with Samvardhana Motherson International Limited, the holding company (transferee company) and their respective shareholders and creditors. The appointed date as per the Scheme is 1st April 2022 or such other date as may be mutually agreed by the board or as may be directed by the Appropriate Authority. The company has filed an application before the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble NCLT') on March 9,2023 . Currently company is in the process of filing Second Motion petition.

2.1 Significant accounting policies

(a) Basis of preparation

Compliance with Ind AS

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The accounting policies have been applied consistently to all years presented in these financial statements. For all the periods up to and including the year ended March 31, 2018, the company prepared its financial statements in accordance with the requirement of the previous IGAAP, which includes accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2006 (as amended from time to time). These financial statements for the year ended March 31, 2021 are the third financial statements prepared by the Company in accordance with Ind AS. The date of transition to Ind AS is April 1, 2018. The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
• Defined benefit pension plans – plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest thousand rupee, except when otherwise indicated.

(b) Presentation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following.

(i) The normal course of business
(ii) The event of default
(iii) The event of insolvency or bankruptcy of the company and/or its counterparties

Summary of significant accounting policies

(c) 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.

(d) Foreign currencies

(i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR).

(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 recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing cost 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. For example, translation differences on non-monetary assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation diff erences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVOCI are recognised in other comprehensive income.

(e) Revenue recognition

The company recognises revenue from contracts with customers based on a five-step model as set out in IND AS 115

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the company satisfies a performance obligation.

The company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met

(a) The company's performance does not create an asset with an alternate use to the company and the company has an enforceable right to payment for performance completed to date

(b) The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods:
Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales are recognised at single point of time when the control of goods are transferred to the buyer as per the terms of contract.

Sale of services:
Revenues from the sale of services are recorded at single point of time when the performance obligation as per contract has been satisfied.

Interest Income
Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of financial instrument (for example, prepayment, extension, charges, call and similar options) but does not consider expected credit losses.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

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 financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the entity has a legally enforceable right to off set and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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 recognises lease liabilities to make lease payments and Right-of-use assets representing the right to use the underlying assets

i) Right-of-use assets

The company recognises 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 re-measurement of lease liabilities. The cost of Right-of-use assets includes the amount of lease liabilities recognised, 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, as follows:

• Building: 3 years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease Liabilities

At the commencement date of the lease, the company recognises 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. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Currently company does not have any machinery or equipment on lease except building.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

(h) 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 annual 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's CGUs 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 or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(j) Trade receivables

Trade receivables are the amount due from customers for goods or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.
Trade receivables are initially recognise at fair value plus transaction cost. Trade receivables are measured at amortized cost using effective interest method less any necessary write downs.

(k) Inventory

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

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any names or losses on qualifying cash flow hedges relating to purchase of raw material but excludes borrowing costs. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) 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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 recognised 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 amortised cost

• Debt instruments at fair value through other comprehensive income (FVOCI)

• Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)

• Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI 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.

Debt instruments included within the FVOCI 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 derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Debt instrument at FVPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVPL. 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 FVPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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 recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. 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.

If the Company decides to classify an equity instrument as at FVOCI, 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 FVPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

a) The rights to receive cash flows from the asset have expired, or

b) 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 passthrough 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind 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 amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured as at FVOCI

c) 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 11 and Ind AS 18.

d) Loan commitments which are not measured as at FVPL

e) Financial guarantee contracts which are not measured as at FVPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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 that 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 recognising 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.

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 as at amortised 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.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'.

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 recognised 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 recognised 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 Ind AS as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss 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 recognised 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 amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract – with the eff ect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to off set the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(m) 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 principal or the most advantageous market must be accessible by the Company.

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.

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 1 — 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 remeasured 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.

(n) 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 recognised 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 recognised in profit or loss as incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation methods and useful lives

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

Assets	**Useful life**
Plant and machinery	5 years
Computers	3 years
Electric equipment	5 years
Vehicle	10 years
Computer software	3 years
Factory equipments	3 years
Furniture & fixtures	5 years

*Useful life of these assets are lower than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the diff erence 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 derecognised.

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.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognised in the profit or loss over the period of borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services or amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are reclassified as current liabilities unless the company has an unconditional right to defer settlement of a liability for at least 12 months after the reporting period.

(p) Provisions and contingent liabilities

Provisions

Provisions for legal claims, product warranties and make good obligations are recognised 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 recognised 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 recognised 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 recognised 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 recognised as a finance cost.

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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Provident Fund & Employees' State Insurance

Contribution towards provident fund and employees' state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The company recognizes contribution payable to the provident fund scheme as expenditure in the statement of profit and loss, when an employee renders the related service.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The company's plan is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in income.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in income.

(r) 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 eff ect 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.

2.2 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 aff ected in future periods.

Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

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 unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Defined benefit plans

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

Further details about gratuity obligations are given in note 18

(iii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business diff erences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and diff ering interpretations of tax regulations by the taxable entity and the responsible tax authority. Such diff erences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Motherson Invenzen X-lab Private Limited

CIN: U72300MH2014PTC392255

Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR thousand, unless otherwise stated)

3. Property, plant and equipment							
Particulars	**Computers**	**Electric equipments**	**Furniture & Fixtures**	**Vehicles**	**Factory equipments**	**Moulds & Dies (Plant & Machinery)**	**Total**
Year ended March 31, 2022							
Gross carrying amount							
Opening gross carrying amount as at April 01, 2021	2,564	982	1,115	53	41	779	5,533
Additions	335	45	53	-	5	430	868
Addition on account of acquisition/ Work in progress							-
Other adjustments*	(33)						(33)
Disposals							
Closing gross carrying amount as at March 31, 2022	**2,866**	**1,027**	**1,168**	**53**	**46**	**1,209**	**6,369**
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2021	2,086	265	316	7	3	339	3,016
Depreciation charge during the year	399	197	231	5	15	167	1,014
Disposals							-
Other adjustment*	(22)						(22)
Closing accumulated depreciation as at March 31, 2022	**2,463**	**462**	**547**	**12**	**18**	**506**	**4,008**
Net carrying amount as at March 31, 2022	**403**	**565**	**621**	**41**	**28**	**703**	**2,361**
Year ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount as at April 01, 2022	2,866	1,027	1,168	53	46	1,209	6,369
Additions	1,187	213			43	273	1,716
Addition on account of acquisition/ Work in progress							
Disposals				53			53
Closing gross carrying amount as at March 31, 2023	**4,053**	**1,240**	**1,168**	**0**	**89**	**1,482**	**8,032**
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2022	2,463	462	547	12	18	506	4,008
Depreciation charge during the year	362	238	233	2	27	348	1,211
Disposals	-	-	-	**15**	-	-	15
Closing accumulated depreciation as at March 31, 2023	**2,825**	**700**	**780**	**0**	**45**	**854**	**5,204**
Net carrying amount as at March 31, 2023	**1,228**	**541**	**388**	**0**	**44**	**627**	**2,828**

*Represents conversion back of fixed assets into 'finished stock' for sales to customers. Corresponding amount of accumulated depreciation has also been reversed.

During FY2020-21, the same telematics device was converted from 'manufactured stock for sale' to fixed assets and had been given to customers on monthly rental.

(All amounts in INR thousand, unless otherwise stated)

4. Intangible assets

Year ended March 31, 2022	Software	Total
Gross carrying amount		
Opening gross carrying amount as at April 01, 2021	1,272	1,272
Addition of software	544	544
Disposals		
Closing gross carrying amount as at March 31, 2022	**1,816**	**1,816**
Accumulated amortisation		
Opening accumulated amortisation as at April 01, 2021	306	306
Amortisation charge during the year	495	495
Disposals		
Closing accumulated amortisation as at March 31, 2022	**801**	**801**
Net carrying amount as at March 31, 2022	**1,015**	**1,015**
Year ended March 31, 2023		
Gross carrying amount		
Opening gross carrying amount as at April 01, 2022	1,816	1,816
Addition of software	459	459
Disposals		
Closing gross carrying amount as at March 31, 2023	**2,276**	**2,276**
Accumulated amortisation		
Opening accumulated amortisation as at April 01, 2022	801	801
Amortisation charge during the year	589	589
Disposals		
Closing accumulated amortisation as at March 31, 2023	**1,390**	**1,390**
Net carrying amount as at March 31, 2023	**886**	**886**

(All amounts in INR thousand, unless otherwise stated)

5. Right of use assets

Particulars	Building	Vehicles	Total
Year ended March 31, 2022			
Gross carrying amount			
Opening gross carrying amount as at April 01, 2021	3,612		3,612
Additions	-		-
Disposals	-		-
Closing gross carrying amount as at March 31, 2022	**3,612**		**3,612**
Accumulated depreciation			
Opening accumulated depreciation as at April 01, 2021	1,605		1,605
Depreciation charge during the year	1,204		1,204
Disposals	-		-
Closing accumulated depreciation as at March 31, 2022	**2,809**		**2,809**
Net carrying amount as at March 31, 2022	**803**		**803**
Year ended March 31, 2023			
Gross carrying amount			
Opening gross carrying amount as at April 01, 2022	3,612		3,612
Additions	-	2,894	2,894
Disposals	-	-	-
Closing gross carrying amount as at March 31, 2023	**3,612**	**2,894**	**6,506**
Accumulated depreciation			
Opening accumulated depreciation as at April 01, 2022	2,809		2,809
Depreciation charge during the year	803	128	931
Disposals	-		-
Closing accumulated depreciation as at March 31, 2023	**3,612**	**128**	**3,741**
Net carrying amount as at March 31, 2023	**-**	**2,765**	**2,765**

(All amounts in INR thousand, unless otherwise stated)

6. Other financial assets

Particulars	As at March 31, 2023		As at March 31, 2022	
(Unsecured, considered good, unless otherwise stated)	Current	Non-current	Current	Non-current
Security deposits	1,304	45	873	45
Prepaid expenses	295	-	16	-
Less : Disclosed under other current assets (refer note 12)	(295)	-	(16)	-
Total	**1,304**	**45**	**873**	**45**

7. Deferred tax asset/(liabilites) (net)

The company has carried out a computation of deferred tax assets/ (liabilities); details are given below:

Year ended March 31, 2023	**As at April 01, 2022**	**(Charge)/credit to Statement of Profit and Loss**	**(Charge)/credit to other comprehensive income**	**As at Mar 31, 2023**
Property, plant and equipment and intangible assets	179	108	-	287
Employee benefits provision	1,407	951	(114)	2,358
Unabsorbed depreciation	1,224	360	-	1,584
Carry forward business losses	4,474	6,487	-	10,961
Provision for Slow Moving Invnetory	721	(198)	-	523
Provision for doubtful debts	9	2	-	10
Lease Liability	248	(270)		(22)
Total deferred tax assets	**8,262**	7,440	(114)	**15,702**
Right of Use Assets	(204)	235		31
Total deferred tax Liability	**(204)**	**235**	-	**31**
Net deferred tax assets/(liabilities) (net)	**8,058**	**7,675**	(114)	**15,733**
Less: Unrecognised deferred tax assets #	8,058	7,675	(114)	15,733
	-	-	-	-

Note:
#The company has not recognised above deferred tax assets in the absence of virtual certainty of sufficient future taxable profits to realise the same.

Year ended March 31, 2022	**As at April 01, 2021**	**(Charge)/credit to Statement of Profit and Loss**	**(Charge)/credit to other comprehensive**	**As at Mar 31, 2022**
Property, plant and equipment and intangible assets	78	101	-	179
Employee benefits provision	1,349	35	23	1,407
Unabsorbed depreciation	938	286	-	1,224
Carry forward business losses	86,455	4,474	-	4,474
Provision for Slow Moving Invnetory	638	83	-	721
Provision for doubtful debts	209	(200)	-	9
Lease Liability	571	(323)		248
Total deferred tax assets	**90,238**	**4,456**	23	**8,262**
Right of Use Assets	(511)	307		(204)
Total deferred tax Liability	**(511)**	**307**	-	**(204)**
Net deferred tax assets/(liabilities) (net)	**89,727**	**4,763**	-	**8,058**
Less: Unrecognised deferred tax assets #	89,727	4,763	-	8,058
	-	-	-	-

Notes:
1. In the view of restructuing that has taken place within the Group resulting in change in the shareholding of the company, deferred tax amounting INR 86,455 thousand on carry forward of business losses till 31st March 2021 have not been recognised.
2.The company has not recognised above deferred tax assets in the absence of virtual certainty of sufficient future taxable profits to realise the same.

(All amounts in INR thousand, unless otherwise stated)

8. Inventories

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Raw materials		
With company	24,273	20,906
In transit	4,959	0
Work-in-progress	2,750	1,326
Finished goods	1,963	2,130
Less: Provision for slow moving inventory	(2,013)	(2,774)
Total	**31,931**	**21,589**

Note: During the year provision for slow moving inventory has been reversed by INR 761 thousand as this stock has now been brought into use.

9. Trade receivables

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(Unsecured, considered good, unless otherwise stated)		
Related parties	22,226	7,793
Others	17,889	15,839
Credit impaired	40	34
	40,155	**23,666**
Less: Allowances for credit impaired	(40)	(34)
Total	**40,115**	**23,632**

Ageing schedule of Trade Receivables for FY2022-23

Particulars	**Not due**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 Months	**6 month - 1 years**	**1- 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed trade receivables							
Considered good	26,060	13,465	590	-	-	-	**40,115**
significant increase in credit risk	-	-	-	-	-	-	**-**
Credit Impaired	-	-	-	40	-		**40**
Disputed trade receivables							
Considered good	-	-	-	-	-	-	**-**
significant increase in credit risk	-	-	-	-	-	-	**-**
Credit Impaired	-	-	-	-	-	-	**-**
Total	**26,060**	**13,465**	**590**	**40**	**0**	**-**	**40,155**
Less: Undisputed trade receivables - (Credit Impaired)	-	-	-	**(40)**	-	-	**(40)**
Total	**26,060**	**13,465**	**590**	**0**	0	**-**	**40,115**

Ageing schedule of Trade Receivables for FY2021-22

Particulars	**Not due**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 Months	**6 month - 1 years**	**1- 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed trade receivables							
Considered good	17,157	6,475	-	-	-	-	**23,632**
significant increase in credit risk	-	-	-	-	-	-	**-**
Credit Impaired	-	-	4	2	28		**34**
Disputed trade receivables							
Considered good	-	-	-	-	-	-	**-**
significant increase in credit risk	-	-	-	-	-	-	**-**
Credit Impaired	-	-	-	-	-	-	**-**
Total	**17,157**	**6,475**	**4**	**2**	**28**	**-**	**23,666**
Less: Undisputed trade receivables - (Credit Impaired)		-	(4)	(2)	(28)		**(34)**
Total	**17,157**	**6,475**	**-**	**-**	**-**	**-**	**23,632**

10. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
in current accounts	3,299	1,329
Cash in hand	13	13
Total	**3,313**	**1,342**

11. Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	652	236
Add: Income tax paid	647	681
Less: Income tax refund	(708)	(266)
Total	**592**	**652**

12. Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	454	115
Balances with government authorities	38	136
Advance to suppliers	1,066	263
Total	**1,558**	**514**

13. Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital:		
Equity Share Capital:		
21,000 equity shares of INR 10/- each	210	210
Preference share capital:		
50,00,000 shares of INR 10/- each	50,000	50,000
Total	**50,210**	**50,210**
Issued, subscribed and paid up:		
Equity Share Capital		
20,410 equity shares of INR 10/- each, fully paid-up	204	204
Total	**204**	**204**

a. Movement in equity share capital

Particulars	Numbers	Numbers
As at March 31, 2022	**20,410**	**20,410**
Add: Issued during the year	-	-
As at March 31, 2023	**20,410**	**20,410**

b. Equity shares held by the promoters at the end of the year

FY 2022-23

S.N.	Name	No. of Shares	% of Total shares	% Change during the year
1	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)	20,410	100%	0%

* Including 60 equity shares held by nominee shareholders

FY 2021-22 (From January 21, 2022)

S.N.	Name	No. of Shares	% of Total shares	% Change during the year
1	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)	20,410	100%	100%

* Including 60 equity shares held by nominee shareholders

FY 2021-22 (Upto January 21, 2022)

S.N.	Name	No. of Shares	% of Total shares	% Change during the year
1	Erstwhile Samvardhana Motherson International Limited *	20,410	100%	100%

* Including 60 equity shares held by nominee shareholders

* The Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated December 22, 2021 sanctioned the composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (MSSL) and SAMIL resulting in merger of SAMIL with MSSL . The appointed and effective date of the merger was January 21, 2022. Accordingly, equity shares held by SAMIL in the company stood transferred to MSSL on January 21, 2022. Consequently, the company became a wholly owned subsidiary of MSSL w.e.f. January 21, 2022. The name of Motherson Sumi Systems Limited (MSSL) was changed to Samvardhana Motherson International Limited (SAMIL) w.e.f. 18th May 2022.

c. Rights preferences and restrictions attached to equity shares

Equity shares: The company has only one class of equity shares having a par value of INR 10/- per share. Each shareholder is entitled to equal voting rights as well as right to dividend declared or to be declared from time to time in respect of the equity shares of the company. However, annually, the board of directors will decide the amount of net surplus available from profit to be retained in the company for expanding the operations of the company and the amount to be recommended for shareholders approval as dividend to be distributed to the shareholders.

Equity shareholders shall be eligible for bonus equivalent to the dividend/redemption amount of preference share capital given to the Samvardhana Motherson International Limited (holding company) as per coupon rate/redemption amount of preference share capital in the ratio of their share holding on the date on which dividend is being paid.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(All amounts in INR thousand, unless otherwise stated)

14. Instruments equity in nature

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised preference share capital:		
50,00,000 3% optionally convertible redeemable preference shares of INR 10/- each	50,000	50,000
Issued, subscribed and paid up share capital:		
4,990,000 3% optionally convertible redeemable preference shares of INR 10/- each	49,900	49,900
Total	**49,900**	**49,900**

a. Movement in preference share capital

	Numbers	Numbers
As at March 31, 2022	**4,990,000**	**4,990,000**
Add: Issued during the year	-	-
As at March 31, 2023	**4,990,000**	**4,990,000**

b. Terms and conditions :

Preference shares: The company has 3% optionally convertible redeemable preference shares having a par value of INR 10 per share. These preference shares are to be redeemed/converted at the option of the board of directors.

1,650,000 shares allotted on 30th April 2015
1,600,000 shares allotted on 11th November 2015
1,740,000 shares allotted on 26th April 2016

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.

S. No.	Name of Shareholders	No. of Shares Transferred	Percentage
1	Samvardhana Motherson International Limited (SAMIL)*	49,90,000*	100%
	Total	**49,90,000***	**100%**

c. Preference shares held by the promoters at the end of the year

FY 2022-23

S.N.	Name	No. of Shares	% of Total shares	% Change during the year
1	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)	49,90,000	100%	0%

* Including 60 equity shares held by nominee shareholders

FY 2021-22 (From January 21, 2022)

S.N.	Name	No. of Shares	% of Total shares	% Change during the year
1	Samvardhana Motherson International Limited (formerly known as	49,90,000	100%	100%

* Including 60 equity shares held by nominee shareholders

FY 2021-22 (Upto January 21, 2022)

S.N.	Name	No. of Shares	% of Total shares	% Change during the year
1	Erstwhile Samvardhana Motherson International Limited *	49,90,000	100%	100%

* Including 60 equity shares held by nominee shareholders
* The Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated December 22, 2021 sanctioned the composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (MSSL) and SAMIL resulting in merger of SAMIL with MSSL . The appointed and effective date of the merger was January 21, 2022. Accordingly, preference shares held by SAMIL in the company stood transferred to MSSL on January 21, 2022. Consequently, the company became a wholly owned subsidiary of MSSL w.e.f. January 21, 2022. The name of Motherson Sumi Systems Limited (MSSL) was changed to Samvardhana Motherson International Limited (SAMIL) w.e.f. 18th May 2022.

15. Reserves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	(397,882)	(367,909)
Total reserves and surplus	**(397,882)**	**(367,909)**

Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**(367,909)**	**(349,538)**
Add/(less): Profit/(loss) for the year	(29,534)	(18,461)
Add/(less): Remeasurements of post-employment benefit obligations gain/(loss)	(439)	90
Closing balance	**(397,882)**	**(367,909)**

16. Borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Unsecured				
Loan from Related Parties:				
Indian rupee loans	211,500	57,000	184,500	66,000
Total	**211,500**	**57,000**	**184,500**	**66,000**

Lender	Interest Rate	Amount (INR Thousand)	Due Date
Samvardhana Motherson Innovative Solutions Limited (SMISL)	RBI Repo Rate + 3% p.a.p.m (9% p.a to 9.5% p.a.p.m)	**25000	September 22, 2024
		**25000	September 19, 2024
		**5000	July 27, 2024
		**10000	July 10, 2023
		**10000	October 3, 2023
		**15000	November 29, 2023
		**15000	February 21, 2024
		7,000	May 14, 2024
		7,000	June 14, 2024
		5,000	August 27, 2024
	RBI Repo Rate + 3% p.a.p.m (8.50% p.a to 9.5% p.a.p.m)	12,500	March 31, 2024
		5,000	March 31, 2024
		6,000	March 31, 2024
		3,500	March 31, 2024
	RBI Repo Rate + 3% p.a.p.m (9% p.a to 9.5% p.a.p.m)	5,000	January 13, 2025
		10,000	February 18, 2025
		5,000	March 26, 2025
		**2500	May 8, 2024
		**10000	June 23, 2024
		**3000	July 23, 2024
		**10000	July 29, 2024
		**6000	September 10, 2024
		**6000	October 13, 2024
		**6000	January 9, 2025
		**15000	February 12, 2025
Samvardhana Motherson International Limited (SAMIL)*	RBI Repo Rate + 3% p.a.p.m (9% p.a to 9.5% p.a.p.m)	14,000	July 5, 2023
		7,000	October 5, 2023
	RBI Repo Rate + 3% p.a.p.m (8.50% p.a to 9.5% p.a.p.m)	8,000	June 1, 2025
		5,000	October 26, 2025
	RBI Repo Rate + 3% p.a.p.m (9.25% p.a to 9.5% p.a.p.m)	5,000	February 27, 2026

*Includes new loan taken from the holding company of INR 8,000 thousand and INR 10,000 thousand during the year.

**The lender reserves the right to call back the loan as and when they deem fit.
Note : Interest is payable at the end of tenure or principal repayment whichever is earlier.

17. Other financial liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Interest accrued but not due on borrowings	99,034	17,335	70,419	22,922
Employee benefits payable	5,222	340	2,665	-
Creditors for capital goods	-	-	430	-
Other payables		-	416	-
Total	**104,255**	**17,675**	**73,930**	**22,922**

(All amounts in INR thousand, unless otherwise stated)

18. Provisions for Employee benefits

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Gratuity	83	5,209	47	2,953
Compensated absences	104	3,674	70	2,340
Total	**187**	**8,883**	**117**	**5,293**

The long term defined employee benefits and contribution schemes of the company are as under:

A. Defined benefit schemes

Gratuity

Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The company pays contribution to employees at the time of sepration of employee from the group. The plan is unfunded.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present value of defined benefit obligation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Obligations at beginning of the year	3,001	2,954
Service Cost - Current	914	624
Interest expense	218	199
(Gains) and losses on curtailment and settlement		
Amount recognised in profit or loss	**1,132**	**824**
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption	-	-
Actuarial (gain) / loss from change in financial assumption	-	-
Return on plan assets, excluding amount included in interest expense/(income)	-	-
Benefit Paid (Net of in/out)	-	-
Actuarial (Gain)/Loss on Obligation	439	(90)
Change in asset ceiling, excluding amounts included in interest expense	-	-
Amount recognised in other comprehensive income	**439**	**(90)**
Effect of Exchange rate change	-	-
Payment from plan:	-	-
Benefit payments	(71)	(438)
Settlements	-	-
Contributions:	-	-
Employers	-	-
Plan participants	-	-
Deletion on account of discontinuation of Joint Ventures	-	-
Addition due to transfer of employee (net)	792	(250)
Obligations at year end	**5,292**	**3,001**

(ii) Assets and liabilities recognized in the balance sheet

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present Value of the defined benefit obligations	5,292	3,001
Fair value of the plan assets	-	-
Amount recognized as liability	**5,292**	**3,001**

(iii) Defined benefit obligations cost for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service Cost - Current	914	624
Interest Cost	218	199
Expected return on plan assets	-	-
Actuarial (gain) / loss	439	(90)
Net defined benefit obligations cost	**1,571**	**734**

(v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
LIC	-	-
Equities	-	-
Bonds, Gilts and Others	-	-
LIC of India	-	-
Total	**-**	**-**

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(iv) Actuarial assumptions:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate per annum	7.36%	7.26%
Future salary increases	7.50%	7.50%
Expected return on plan asset	-	-

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(v) Expected Contribution to the Fund in the next year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gratuity	-	-

(vi) Risk exposure

The gratuity scheme is a final salary defined benefit plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria . It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

(vii) Defined benefit liability and employer contributions

Expected benefit payments are as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2023	83	95	263	4,851	**5,292**
As at March 31, 2022	47	48	155	2,751	**3,001**

B. Defined contribution schemes

The company deposits an amount determined at a fixed percentage of basic pay every month to the state administered provident fund for the benefit of the employees.

Amount recognised in the statement of profit & loss is as follows (refer note 25):

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund paid to the authorities	2,072	1,695
Employees' state insurance paid to the authorities	9	10
Total	**2,081**	**1,705**

(All amounts in INR thousand, unless otherwise stated)

19. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises:		
Related parties	57	-
Others	692	529
Total outstanding dues of creditors other than micro and small enterprises:		
Related parties	3,674	3,264
Others	22,216	11,747
Total	**26,640**	**15,541**

Ageing schedule of trade payables for FY2022-23

Particulars	Not due	Outstanding for followings periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME**	536	212	-	-	-	**749**
Others	12,102	13,552	237	-	-	**25,891**
Disputed dues-MSME**	-	-	-	-	-	**-**
Disputed dues-Others	-	-	-	-	-	**-**
Total	**12,639**	**13,764**	**237**	**0**	**-**	**26,640**

**Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

Ageing schedule of trade payables for FY2021-22

Particulars	Not due	Outstanding for followings periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME**	529	-	-	-	-	**529**
Others	4,651	10,266	17	76	-	**15,011**
Disputed dues-MSME**	-	-	-	-	-	**-**
Disputed dues-Others	-	-	-	-	-	**-**
Total	**5,180**	**10,266**	**17**	**76**	**-**	**15,541**

**Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

20. Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	1,969	1,263
Advances received from customers	2,202	97
Other Payables	10	-
Total	**4,181**	**1,360**

(All amounts in INR thousand, unless otherwise stated)

21. Revenue from contracts from customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of products		
Finished goods		
Within India	142,248	112,770
Outside India	887	-
Total gross sales	**143,135**	**112,770**
Sale of services - In India		
Sale of software	7,628	4,785
Annual maintenance contract	950	3,192
Installation income	25	438
Subscriptions income	10,593	7,114
Sale of Services - Outside India		
Export of Services	-	1,127
	19,196	**16,655**
Other Operating Income		
Liabilities/provisions written back to the extent no longer required	795	1,195
Total	**163,127**	**130,620**

22. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from deposits with bank	-	1
Interest income on Income tax refund	35	16
Interest income from financial assets at amortised cost	27	24
Exchange fluctuation (Net)	23	420
Profit on Sale of assets	2	-
Total	**87**	**461**

23. Cost of material consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	20,906	16,371
Add: Purchases	87,865	63,213
Less: Closing stock	(29,231)	(20,906)
Cost of material consumed	**79,539**	**58,678**

24. Changes in inventory of finished goods and work in progress

Particulars	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	2,130	716
Work-in-progress	1,326	1,581
Total A	**3,457**	**2,297**
Stock at the end of the year:		
Finished goods	1,963	2,130
Work-in-progress	2,750	1,326
Total B	**4,713**	**3,457**
(Increase)/ decrease in stocks (A-B)	**(1,257)**	**(1,160)**

(All amounts in INR thousand, unless otherwise stated)

25. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus	46,300	38,328
Contributions to provident and other funds (Refer note 18)	2,081	1,705
Gratuity (Refer note 18)	1,132	824
Staff welfare and other expenses	1,522	1,266
Total	**51,035**	**42,123**

26. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on loan from related parties	25,175	22,485
Interest on statutory dues	-	25
Finance cost on lease liability	102	145
Total	**25,278**	**22,655**

27. Depreciation and amortization expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation - Property, plant and equipment	1,211	992
Amortisation - Intangible assets	589	495
Depreciation - Right-of-use assets	931	1,204
Total	**2,731**	**2,691**

28. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Design and development expenses	11,272	5,672
Provision for doubtful debts	40	34
Provision for slow - moving inventory	-	321
Lease rent office and others considered short term	3,182	2,329
Amortisation of lease rent - Building	16	24
Amortisation of lease rent - Car	13	-
Business promotion	1,098	1,099
Repairs and maintenance - office	2,003	1,620
Electricity & Power	1,363	1,253
Traveling and conveyance	1,760	498
Communication costs	5	3
Insurance expenses	435	223
Recruitment costs	546	422
Legal and professional fees	7,999	5,645
Payment to auditors (refer note (a) below)	166	205
Donation	16	-
Printing and stationery	241	227
Commission	100	113
Software expenses	5	402
Rates and taxes	201	132
Advertisement and publicity	6	10
Testing expenses	465	207
Job work expense	2,869	2,343
Consumable Store	327	461
Security Expenses	499	535
Bank charges	135	120
Miscellaneous expenses	660	655
Total	**35,422**	**24,555**

(All amounts in INR thousand, unless otherwise stated)

(a): Payment to auditors:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fees	166	205
Total	**166**	**205**

29. Income tax expense

Tax disclosure for the period ended March 31, 2023 under Ind AS-12

(a) Income tax expense recognised in the profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	-
Adjustments for current tax of prior periods on completion of assessment	-	-
Income tax expense	-	-
Deferred tax (Refer note 7)		
Decrease/(increase) in deferred tax assets (net)	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	-	-
Total Income tax expense	-	-

(b) Reconciliation of tax expense with the effective tax rate

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) before income tax expense	(29,534)	(18,461)
Tax @ 26.00%	**(7,679)**	**(4,800)**
Adjustments:		
Tax effect of amounts which are not deductible in calculating taxable income	4	-
Tax effect of unabsorbed depreciation and business losses carried forward	6,847	4,773
Other adjustments	828	26
Income tax expense*	**0**	**0**

*Income tax expense recognised in profit and loss is NIL as the company does not have any taxable income.

30. Earnings/ (loss) per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Basic		
Net profit/(loss) after tax available for equity shareholders	(29,534)	(18,461)
Weighted average number of equity shares used as denominator for calculating basic EPS	20,410	20,410
Basic earnings/(loss) per share (absolute figures)	**(1,447)**	**(905)**
b) Diluted		
Net profit/(loss) after tax available for equity Shareholders	(29,534)	(18,461)
Weighted average number of equity shares used as denominator for calculating diluted EPS	5,010,410	5,010,410
Diluted earnings/(loss) per share (absolute figures)	**(5.89)**	**(3.68)**
Reconciliation of weighted average number of shares		
Weighted average number of equity shares used as denominator for calculating basic EPS	20,410	20,410
Add: Total weighted average potential equity shares	4,990,000	4,990,000
Weighted average number of equity shares used as denominator for calculating diluted EPS	5,010,410	5,010,410

Motherson Invenzen X-lab Private Limited
CIN: U72300MH2014PTC392255
Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR thousand, unless otherwise stated)

31. Fair value measurements

(i) Financial instruments by category

	As at March 31, 2023			As at March 31, 2022		
	FVPL	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial assets						
Trade receivables*	-	-	40,115	-	-	23,632
Cash and cash equivalents*	-	-	3,313	-	-	1,342
Other financial assets*	-	-	1,349	-	-	918
Total financial assets	**-**	**-**	**44,777**	**-**	**-**	**25,892**
Financial Liabilities						
Borrowings*	-	-	211,500	-	-	184,500
Trade payable*	-	-	26,640	-	-	15,541
Other financial liabilities*	-	-	104,255	-	-	73,930
Total financial liabilities	**-**	**-**	**342,395**	**-**	**-**	**273,970**

* The carrying amounts of trade receivables, cash and bank balances, borrowings, trade payables and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

(ii) Fair value of non current financial assets and liabilities measured at amortised cost

	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets				
Other financial assets*	45	45	45	45
	45	**45**	**45**	**45**
Financial liabilities				
Borrowings*	57,000	57,000	66000	66,000
Other financial liabilities*	17,675	17,675	22922	22,922
	74,675	**74,675**	**66,000**	**66,000**

* The fair value of non-current financial assets and liabilities carried at amortized cost is substantially same as their carrying amount.

(iii) Valuation technique used to determine fair value

The fair value of the financial instruments is determined using discounted cash flow analysis.

(All amounts in INR thousand, unless otherwise stated)

32. Financial risk management

The company is engaged in designing and/or manufacturing and/or sub contracting of audio and infotainment systems and 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 risks in which the Company is exposed to and how it manages the risks:

Market risk:
Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market price/ rate. Market risk comprises: price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk.

A Price risk:
Fluctuation in commodity price in domestic and international market affects directly and indirectly the price of components used by the Company in its various product segments. Substantial pricing pressure from customers due to high negotiating power and competitive nature of the industry.

The major purchases for the Company's business is electronics components and its sub systems. The Company can mitigate risk through executing a combination of pass through contracts with the downstream supplier.

The comapny aims to develop, design , manufacture and bring innovative offerings to market at cost effective prices with low cost automations would compensate the risk of commodity price increase and innovative offering will further increase profitability of the Company.

B Foreign currency risk:
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency).

The company does not have any derivative instruments at the end of reporting periods and further unhedged foreign currency exposure is as follows:

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

	As at March 31, 2023 Payable / (Receivable)		As at March 31, 2022 Payable / (Receivable)	
	Amount in Foreign currency	**Amount in INR**	**Amount in Foreign currency**	**Amount in INR**
USD	96	7,999	80	6,085
USD	(11)	(920)	(1)	(43)
	-	-		

C Interest rate risk:
Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. During the year, company has borrowings at fixed rate of interest up to 31st December, 2022. From 1st January 2023, interest rates on borrowings has been changed to variable rate.

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

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	268,500	-
Fixed rate borrowings	-	250,500
Total borrowings	**268,500**	**250,500**

D 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. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers 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.

E Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

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 financial liabilities:

Year Ended March 31, 2023	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	211,500	57,000	-	**268,500**
Trade payables	26,640	-	-	**26,640**
Other financial liabilities	106,583	20,003	-	**126,585**
Total non-derivative liabilities	**344,722**	**77,003**	**-**	**421,725**

Year Ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	184,500	66,000	-	**250,500**
Trade payables	15,541	-	-	**15,541**
Other financial liabilities	73,930	22,922		**96,851**
Total non-derivative liabilities	**273,970**	**88,922**	**-**	**362,892**

33 Capital management

(a) 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).

Currently the company`s Net Debt to EBITDA ratio is negative due to business losses. The Net Debt to EBITDA ratio is as follows:

	As at March 31, 2023	As at March 31, 2022
Net Debt	265,187	249,158
EBITDA	(1,526)	6,886
Net Debt to EBITDA	(174)	36

b) Loan covenants

Under the terms of the major borrowing facilities, the company is required to comply with certain financial covenants and the company has complied with those covenants throuout the reporting period.

Note 34.1. List Of Related Parties As Per Ind AS 24

Related Party Disclosures are given below: -

(i) Holding Company

Samvardhana Motherson International Limited (formerly Motherson SumI Systems Limited)

(ii) Fellow subsidiaries - With whom transactions have taken place during the year.

1 Motherson Innovations Tech Limited
2 Samvardhana Motherson Global Carriers Limited (SMGCL)
3 Samvardhana Motherson Innovative Solutions Limited (SMISL)
4 Samvardhana Motherson Auto System Private Limited (Subsidiary through SMISL)
5 Motherson Technology Services Limited (formerly MothersonSumi Infotech & Designs Limited) (MTSL)
6 Samvardhana Motherson Virtual Analysis Limited (Subsidiary through MTSL)
7 Samvardhana Motherson Health Solutions Limited (Subsidiary through MTSL)
8 Motherson Techno Tools Limited (Subsidiary through SMISL)
9 Motherson Air Travel Agencies Limited
10 Motherson Auto Solutions Limited (through SMISL)

(iii) One entity is an associate or joint venture of the other entity (or an associate of joint venture of a member of a group which other entity is a member) -With whom transactions have taken place during the year.

1 Motherson Sumi Wiring India Limited
2 Motherson Bergstrom HVAC Solutions Private Limited

(iv) Others Related Parties -with whom transactions have taken place during the year

1 Motherson Lease Solution Limited
2 Motherson Auto Limited

(v) Key Management Personnel of the reporting entity or of a parent of the reporting entity

Directors of the Company

Mr. Vivek Avasthi
Mr. Dhruv Mehra
Mr. Rajesh Thakur (w.e.f. 29.04.2022)
Mr. Kunal Malani (upto 29.04.2022)

KMPs of Samvardhana Motherson International Limited (formerly Motherson SumI Systems Limited), the holding com

Mr. Pankaj Mital
Mr. Kunal Malani
Mr. Alok Goel

(All amounts in INR thousand, unless otherwise stated)

34.2- Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 34.1 above:

(a) Key management personnel compensation

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Short-term employee benefits	-	-
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Total compensation	-	-

(b) Transactions with related parties

S. No.	**Particulars**	**Holding Company**		**Fellow Subsidiaries**		**Joint Venture of Holding Company**		**Other Related Parties**		**Key Management Personnel**	
		As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
1	Sale of goods	22	-	453	414	53,377	26,920	-	-	-	-
2	Sale of services	-	-	-	752	-	822	-	-	-	1
3	Services received	2,504	2,052	6,410	5,050	-	-	1,090	-	-	-
4	Purchase of goods	-	-	-	-	394	377	-	-	-	-
5	Reimbursements paid	-	65	-	1,037	575	519	833	534	-	-
6	Purchase of fixed assets	-	-	1,628	287	-	-	-	-	-	-
7	Export of Services	-	-	-	1,127	-	-	-	-	-	-
8	Reimbursements Received	-	-	2,453	143	-	-	-	-	-	-
9	Rent paid	-	-	1,583	1,410	-	-	2,368	2,316	-	-
10	Security deposit paid	-	-	-	-	-	-	712	162	-	-

(c) Outstanding balances arising from sales / purchases of goods and services

S. No.	**Particulars**	**Holding Company**		**Fellow Subsidiaries**		**Joint Venture of Holding Company**		**Other Related Parties**		**Key Management Personnel**	
		As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
1	Trade receivables	-	-	2,453	-	19,773	-		-	-	-
2	Trade payables	711	634	1,717	2,122	36	20	1,267	488	-	-
3	Security deposit paid	-	-	310	-	-	-	1,292	580	-	-
4	Creditors for capital goods	-	-		315	-	-		-	-	-

(d) Loans from related parties

S. No.	**Particulars**	**Holding Company**		**Fellow Subsidiaries**	
		As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
A	**Loans:**				
	Beginning of the year	21,000	21,000	229,500	229,500
	Add: Loans Received	18,000	-	-	-
	Less: Loans paid back	-	-	-	-
	Less: Loans transferred	-	-	-	-
	End of the year	**39,000**	**21,000**	**229,500**	**229,500**
B	Interest charged	2,735	1,890	22,440	20,595
C	Interest accrued but not due on borrowings	754	-	115,615	93,340

(All amounts in INR thousand, unless otherwise stated)

35. Segment Information:

Description of segments and principal activities

The company's main business is designing and/or manufacturing and/or sub contracting of Telematics devices, Audio and infotainment systems.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Officer "COO" of the Company. The COO is responsible for allocating resources and assessing performance of the operating segments . The Company operates through a single operating segment, hence there are no reportable segments as per Ind AS 108 "Operating Segments".

A. Information about geographical areas:

The following information discloses revenue from external customers based on geographical areas:

i) Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	142,248	112,770
Outside India	887	1,127
Total	**143,135**	**113,896**

ii) Segment Assets

Total of non-current assets other than financial instruments, broken down by location of the assets, is shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	6,479	4,179
Outside India	-	-
Total*	**6,479**	**4,179**

*Represents property, plant and equipment, intangible assets & Right-of-use assets.

iii) Revenues from transactions with a single external customer amounting to 10 % or more of the company's revenues is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Customer 1	92,458	82,910
Customer 2	50,622	19,465
Total	**143,080**	**102,375**

(All amounts in INR thousand, unless otherwise stated) -

36. Contingent liabilities:

The company does not have any contingent liability as at March 31, 2023 (As at March 31, 2022: Nil)

37. Due to micro and small enterprises

The Company has certain dues to Micro and Small Enterprises registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	749	529
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

38. Disclosure under Ind AS 115

The Company has adopted Ind AS 115 Revenue from Contracts with Customers from April 01, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements wherever required. In accordance with the transition provisions in Ind AS 115, the Company has adopted the new rules modified retrospectively.

Further disclosures given in relation to contracts with customers are as under:

a. The provision recognised on trade receivables arising from an entity's contracts with customers.

Movement for provision for doubtful debts

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	34	803
Less: Debtors written off	-	(387)
Less: Reversal	(34)	(416)
Add: Additions	40	34
Closing balance	**40**	**34**

b. The provision recognised on slow moving inventory arising :

Movement for provision for slow moving inventory

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2,774	2,453
Add: Provision during the year	-	621
Less: Reversal	(761)	(300)
Closing balance	**2,013**	**2,774**

Note: During the year provision for slow moving inventory has been reversed by INR 761 thousand as this stock has now been brought into use.

c. Disaggregation of revenue from contract with customers:
Revenue by category

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue by major product lines		
Sale of products	143,135	112,770
Sale of services	19,196	16,655
Total revenue from contract with customers	**162,332**	**129,425**
Revenue by geography		
In India	161,445	128,298
Outside India	887	1,127
Total revenue from contract with customers	**162,332**	**129,425**
Timing of revenue recognition		
At a point in time	162,332	129,425
Over time	-	-
Total revenue from contract with customers	**162,332**	**129,425**

d. Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers:

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables	40,115	23,632
Contract liabilities (Advance From Customers)	2,202	97

(All amounts in INR thousand, unless otherwise stated)

39. Disclosure under Ind AS 116 Leases
Company as a lessee

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the Right-of-use assets). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the Right-of-use assets. The Company has adopted Ind AS 116 effective annual reporting period beginning April 01, 2019, by following modified retrospective approach.

Upon adoption of Ind AS 116, the company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2(g) Leases for the accounting policy beginning April 01, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the company.

***Leases previously classified as finance leases**
The company did not have any lease contract which are classified as finance lease prior to April 01, 2019. The company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the Right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019.

***Leases previously accounted for as operating leases**
The company recognised Right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The Right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the Right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The company also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Relied on its assessment of whether leases are onerous immediately before the date of initial application
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
• Excluded the initial direct costs from the measurement of the Right-of-use assets at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Impact Assessment of Ind AS 116
(i) Impact on the statement of financial position (increase/(decrease)) as at March 31, 2023

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Assets		
Right-of-use assets	2,765	803
Total	**2,765**	**803**
Liabilities		
Lease Liabilities	2,794	969
Total	**2,794**	**969**
Net Impact on equity	**(29)**	**(166)**

(ii) Impact on the Statement of Profit or Loss (increase/(decrease)) for the year ended March 31, 2023

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Lease rent	(1,171)	(1,410)
Depreciation expense	931	1,204
Finance Cost	102	145
Net Impact on Statement of Profit or Loss (increase/(decrease))	**(138)**	**(61)**

Short-term and/or low value leases

Lease rent paid for office premises	3,182	2,329

(All amounts in INR thousand, unless otherwise stated)

40. The company's registered address has been changed from 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, North Delhi 110044 Delhi to Unit-705, C Wing, One BKC, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051 Maharashtra effective 17th October 2023; as a result of change in registered office from Delhi to Maharashtra, Corporate Identification Number was also changed from U72300DL2014PTC264533 to U72300MH2014PTC392255.

41. Merger with Samvardhana Motherson International Limited (SAMIL)
The Board of Directors at the meeting held on January 25, 2023 accepted and approved the Scheme of Amalgamation of the company (Transferor Company) with Samvardhana Motherson International Limited, the holding company (transferee company) and their respective shareholders and creditors. The appointed date as per the Scheme is 1st April 2022 or such other date as may be mutually agreed by the board or as may be directed by the Appropriate Authority. The company has filed an application before the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble NCLT') on March 9,2023 . Currently company is in the process of filing Second Motion petition.

42. Ratio analysis

Ratio	Numerator/Denominator	As at March 31, 2023	As at March 31, 2022	Variance %	Explanation on Changes in the ratio where variance > 25%
Current Ratio	Current Assets/ Current Liabilities	0.23:1	0.18:1	29%	-
Debt equity ratio	Total Debt/ Shareholder's Equity	0.68:1	0.68:1	-	-
Debt service coverage ratio (DSCR)	Earning available for debt service/Debt service	-0.06:1	0.29:1	(120.17%)	During the year earning for debt services reduced by INR 8,300 thousand due to increase in input cost.
Return on Equity (ROE)	Net Profit after Tax-Preference Dividend/ Average shareholder's Equity Capital	(7.72%)	(5.15%)	(49.88%)	During the year earning for equity reduced by INR 11,030 thousand due to increase in input cost.
Inventory turnover	Cost of Goods sold/Average Inventory	2.93:1	3.04:1	(3.87%)	-
Trade Receivable turnover ratio	Net Sales /Average Trade receivable	5.12:1	5.36:1	(4.44%)	-
Trade Payable turnover ratio	Net Purchases /Average Trade Payable	4.17:1	4.01:1	3.91%	-
Net Capital turnover	Net Sales /working Capital	0.61:1	0.57:1	6.00%	-
Net profit	Net profit /Net Sales	(18.11%)	(14.13%)	(28.10%)	Impact of increased in input cost. During the year ratio of net profit to sales reduced by 3.9%
Return on capital employed	Earning before Interest and Taxes /Capital employed	(11.48%)	16.11%	(171.23%)	Impact of increase in the input cost. During the year EBIT reduced by INR 8,400 thousand.
Return on investment	Return on investment/Investment	N/A	N/A		The Company does not have any investment

(All amounts in INR thousand, unless otherwise stated)

43. Cash Losses

The company has incurred cash losses in the current and preceding financial years. The summary is as below:

Particulars				**March 31, 2023**	**March 31, 2022**
Profit/(Loss) after Tax				**(29,534)**	**(18,461)**
Add: Depreciation and Amortisation expense on PPE & intangible assets				1,799	1,487
Add: Depreciation expense on Right of use assets				931	1,204
Less: Deferred Tax Expense				-	-
Add: Exchange Loss on Long term Borrowings				-	-
				-	
Cash Loss during the period				**(26,804)**	**(15,770)**

44. Corresponding figures of previous year are regrouped/rearranged wherever necessary to align with the current year classification.

45 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(ii) The Company does not have revalued its Property, Plant and Equipment (Including Right -of- Use Assets) and Intengilble assets during the year.
(iii) The Company is not declared as wilful defaulter by any bank or financial institutions.
(iv) The Company does not have any transactions with companies struck off.
(v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(vi) The Company does not have traded or invested in Crypto currency or Virtual Currency during the financial year.

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

(a) directly or indirectly lend or invest in other persons or entities identiŽied in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identiied in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(ix) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

For and on behalf of the board

VIVEK AVASTHI
Digitally signed by VIVEK AVASTHI
Date: 2023.04.28 14:28:50 +05'30'

Vivek Avasthi
Director
DIN: 00033876

RAJESH THAKUR
Digitally signed by RAJESH THAKUR

Rajesh Thakur
Director
DIN: 0009584640

RANJEET YADAV
Digitally signed by RANJEET YADAV
Date: 2023.04.28 13:10:56 +05'30'

Prashant Dalmia
Chief Operating Officer
PAN: AIXPD5012A

PRASHANT DALMIA
Digitally signed by PRASHANT DALMIA

Ranjeet Yadav
Finance Head
PAN: ABLPY5888Q

Place: Noida
Date: April 28, 2023

As per our report of even date
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

VIPIN BALI
Digitally signed by VIPIN BALI
Date: 2023.04.28 16:42:22 +05'30'

Vipin Bali
Partner
M.No. 083436