



# **MANGLA ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOTHERSON MACHINERY AND AUTOMATIONS LIMITED**

#### **Report on the Financial Statements**

We have audited the standalone Indian Accounting Standards (Ind AS) financial statements of MOTHERSON MACHINERY AND AUTOMATIONS LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS;

- a) of the state of affairs (financial position) of the Company as at March 31, 2023; and
- b) its profit (financial performance including other comprehensive income), and
- c) its Cash Flows and the changes in equity for the year ended on that date.

#### **Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under these Standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





## **Information other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including the annexures thereto but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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





## Auditor's Responsibility

- A. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and operating effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements, or if, such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.





- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 6. Report on other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 'A' statement on the matters specified in paragraph 3 & 4 of the Order.
- ii) As required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid standalone Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) on the basis of written representations received from the directors as on 31 March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.





f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us.

- i. the Company has disclosed the impact of pending litigations, if any on its financial positions in its Ind AS financial statements.
- ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. a) the management of the company has represented that to the best of its knowledge and belief, the company has not advanced or leased or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds), to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall whether directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

b) it has been represented by the management, that to the best of its knowledge and belief, the company has not received any funds from any person(s) or entity(ies) including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall whether, directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiary") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

- c) on the basis of such audit procedures that the auditors have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v). The company has neither declared nor paid any dividend during the year, thus compliance with section 123 of the Companies Act, 2013 is not applicable.





- vi. as proviso to rule 3(1) of the Companies (Accounts) Rule 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financials year ended March 31, 2023.

Place: Ghaziabad  
Date : May 08, 2023  
UDIN: 23080173BGRFGI5729

For Mangla Associates  
Chartered Accountants  
(FRN 006796C)  
  
(A. P. Mangla)  
Partner  
M.No. 080173



**ANNEXURE 'A' REFERRED TO IN OUR REPORT OF EVEN DATE**

- I. (a) & (b) As per books and records of the company the book value of the fixed assets (property, plant and equipment) is nil thus clause (a) and (b) are not applicable.
- © According to the information and explanations given to us the Company does not have any immovable property as on the date of financials, thus clause ©, (d) and (e) are not applicable
- II. (a) According to the information and explanations give to us, Physical verification of inventory has been conducted during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- III. (a) According to the information and explanations given to us, the Company, during the year, has not granted any loans secured or unsecured to any party covered in the register maintained under section 189 of the Act.
- Clauses (b), (c), (d), (e) and (f) are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the clause relating to provisions of Sections 185 and 186 of the Act, are not applicable to the company, as there are no loans given, investments made, guarantees provided and any security provided during the year.





- V. The company has not accepted any deposits from the Public.
- VI. The Central Government of India has not prescribed the maintenance of cost records by the Company under section 148(1) of the Act.
- VII. (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax/GST, Cess and any other material statutory dues, where applicable. According to the information and explanations given to us there are no arrears of undisputed outstanding dues of above as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records Examined by us, there is no disputed liability of the Income Tax/Sales tax/Wealth tax/Custom duty/Excise duty/Value added tax/Cess which have not been deposited on account of any dispute as on 31<sup>st</sup> March 2023.
- VIII. According to the information and explanations given to us, the Company has not surrendered or disclosed any income during the year in the tax assessment under the Income Tax Act, 1961, which was not recorded in the books of accounts.
- IX. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.
- X. (a) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not availed any terms loans during the year.
- (b) The Company has not made by preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- XI. In our opinion and as per information and explanations given and during the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year.
- XII. According to the information and explanation given to us, the Company is not a Nidhi Company. Thus Para 3(xii) of the Order is not applicable to the Company.
- XIII. According to the information and explanations given to us, all the transactions with the related parties, are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- XIV. (a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were duly considered by us.





- XV. According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.  
(b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities.  
© The company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.
- XVII. The Company has not incurred cash losses in the current financial year and in the immediately preceding Financial Year.
- XVIII. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year.
- XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from balance sheet date.
- XX. (a) According to the information and explanations given to us the provisions of section 135(5) of the Companies Act are not applicable to the Company.
- XXI. The financials of the Company are Standalone financials and thus contents of the paragraph are not applicable to the Company.

Place: Ghaziabad  
Dated: May 08, 2023  
UDIN: 23080173BGRFGI5729

For **Mangla Associates**  
Chartered Accountants  
(FRN: 006796C)



(A.P. Mangla)  
Partner  
M.No. 080173



## **ANNEXURE 'B' REFERRED TO IN OUR REPORT OF EVEN DATE**

### **Report on the Internal Financial Control under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **MOTHERSON MACHINERY AND AUTOMATIONS LIMITED (the 'Company')** as of 31<sup>st</sup> March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating Effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company's internal financial controls system over financial reporting.





## Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparations of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

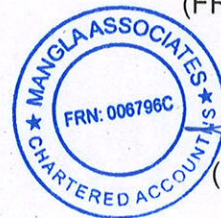
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ghaziabad  
Dated: May 08, 2023  
UDIN: 23080173BGRFGI5729

For Mangla Associates  
Chartered Accountants  
(FRN: 006796C)



(A.P. Mangla)  
Partner  
M.No. 080173