

## **Independent Auditor's Report**

### **To the Members of Saks Ancillaries Limited**

### **Report on Ind AS financial statements**

#### **1. Opinion**

We have audited the accompanying Ind AS financial statements of Saks Ancillaries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, its profit (including Other Comprehensive Income), its Cash Flows and Changes in Equity for the year ended on that date.

#### **2. Basis for Opinion**

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

#### **3. Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Director's report, if we conclude that any matter requires further communication, we shall communicate such matter to those charged with governance.

#### **4. Responsibilities of Management for Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **5. Auditor's Responsibilities for the Audit of Ind AS Financial Statements**

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

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

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,



misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

## 6. Report on Other Legal and Regulatory Requirements

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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

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 purpose of our audit.
- b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by the report are in agreement with the books of account.



- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards referred to in section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2023 and taken on record by Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> 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) As per information and explanations furnished to us and on examination of the records produced, the Company has not paid any managerial remuneration to any director covered under the provisions of section 197 of the Act, read with Schedule V of the Act.
- h) 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 does not have pending litigations which would materially impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative 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 has represented, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company 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 persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented, to the best of its knowledge and belief, no funds have been received by the Company 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 persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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 not declared or paid dividend during the year, hence no compliance with section 123 of the Companies Act, 2013 is applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is now applicable for financial periods beginning on or after 1<sup>st</sup> April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March 2023.

**For R K Khanna & Co.**  
**Chartered Accountants**  
**FRN: 000033N**



**Vipin Bahl**  
**Partner**

**M.No. :083436**  
**UDIN: 23083436BGXHBR6105**

**Place: New Delhi**  
**Date: 11<sup>th</sup> May 2023**



**“Annexure A” of our Independent Auditor’s report of even date on the Ind AS Financial Statements as at and for the year ended 31<sup>st</sup> March 2023 of Saks Ancillaries Limited.**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
b) Substantial part of the Property, Plant and Equipment has been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
c) The title deeds of immovable properties disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company.  
  
d) The Company has not revalued any of its Property, Plant and Equipment during the year, hence no comment is required under clause 3(i)(d) of the Order.  
  
e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
2. a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.  
  
b) There are no sanctioned working capital limits hence no comment is required under paragraph 3(ii)(b) of the Order.
3. During the year, the Company has neither made any investments, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or any other parties.
4. During the year the Company has not given any guarantee, loan, security or made any investment which fall under the provisions of section 185 and 186 of the Act, hence no comment is required under clause 3(iv) of the Order.
5. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.



6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues, including income-tax, goods and services tax, customs duty, cess and other material statutory dues as applicable.
- b) There are no pending disputes in respect of income tax, goods and services tax, customs duty and other material statutory dues mentioned at (a) above.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. a) The Company has not taken any loan or borrowing from any lender, hence no comment is required under paragraph 3(ix)(a) of the Order. The Company has not issued any debentures.
- b) The Company has not been declared wilful defaulter by any lender, hence no comment is required under clause 3(ix)(ii) of the Order.
- c) The Company has not raised any term loans during the year and there are no outstanding term loans at the beginning of the year, hence no comment is required under clause 3(ix)(c) of the Order.
- d) The Company has not raised any funds for short-term or long-term purpose hence no comment is required under clause 3(ix)(d) of the Order.
- e) The Company does not have any subsidiaries, associates or joint ventures; hence no comment is required under clause 3(ix)(e) of the Order regarding taking of any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures.
- f) The Company does not have any subsidiaries, associates or joint ventures; hence no comment is required under clause 3(ix)(f) of the Order regarding raising loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year; hence no comment is required under clause 3(x)(a) of the Order.
- b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence, no comment is required under clause 3(x)(b) of the Order.
11. a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.



b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) No whistle blower complaints have been received by the Company during the year (and up to the date of this report).

12. The Company is not a Nidhi Company hence, no comment is required under clause 3(xii) (a), (b) and (c) of the Order.
13. The transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
14. The Company does not have an internal audit system and the Company is not required to have an internal audit as mandated by section 138 of the Companies Act, 2013. Hence, no comment is required under paragraph 3(xiv) of the Order
15. The Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors or persons connected with its director during the year. Hence, no comment is required under clause 3(xv) of the Order.
16. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
  
b) There is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the period covered by the audit report and in the immediately preceding financial year, hence, no comment is required under clause 3(xvii) of the Order.
18. There has been no resignation of the statutory auditors during the year, hence no comment is required under clause 3(xviii) of the Order.
19. 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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 the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.





20. The Company does not have any obligation to incur Corporate Social Responsibility (CSR) expenditure in accordance with section 135 of Companies Act.

**For R K Khanna & Co.  
Chartered Accountants  
FRN: 000033N**



**Place: New Delhi  
Date: 11<sup>th</sup> May 2023**

**Vipin Bali  
Partner  
M.No. :083436  
UDIN: 23083436BGXHBR6105**

**"Annexure B" to the Independent Auditor's report of even date on the Ind AS Financial Statements as at and for the year ended 31<sup>st</sup> March 2023 of Saks Ancillaries Limited**

**Report on the Internal Financial Controls 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 Saks Ancillaries Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the 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 audit 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 preparation 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, the Company has generally in most aspects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 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: New Delhi**  
**Date: 11<sup>th</sup> May 2023**

**For R K Khanna & Co.**  
**Chartered Accountants**  
**FRN: 000033N**



**Vipin Bali**  
**Partner**  
**M.No. :083436**  
**UDIN: 23083436BGXHBR6105**

## SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,050	2,185
Financial assets			
Other financial assets	4	118	118
<b>Total non-current assets</b>		<b>2,168</b>	<b>2,303</b>
<b>Current Assets</b>			
Financial assets			
i). Cash and cash equivalents	5a	1,485	1,030
ii). Bank balances other than cash and cash equivalents	5b	114,500	109,500
iii). Other financial assets	6	1,725	4,408
Current tax assets (net)	7	63	572
Other current assets	8	417	293
<b>Total current assets</b>		<b>118,190</b>	<b>115,803</b>
<b>Total assets</b>		<b>120,358</b>	<b>118,106</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	24,997	24,997
<b>Other equity</b>			
Reserves and surplus	10	95,274	92,951
<b>Total equity</b>		<b>120,271</b>	<b>117,948</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	11	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		79	151
Other current liabilities	12	8	7
<b>Total current liabilities</b>		<b>87</b>	<b>158</b>
<b>Total liabilities</b>		<b>87</b>	<b>158</b>
<b>Total equity and liabilities</b>		<b>120,358</b>	<b>118,106</b>
<b>Summary of significant accounting policies</b>	2		

The above balance sheet should be read in conjunction with the accompanying notes

For and on behalf of the Board



Sanjeev Mathur  
Director  
DIN: 01092028



Rajat Jain  
Director  
DIN: 00658228

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

Vipin Bali  
Partner  
M.No. 083436



Place: New Delhi  
Date: May 11, 2023

**SAKS ANCILLARIES LIMITED**

CIN: U74899MH1985PLC285656

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
<b>Revenue</b>			
Revenue from operations	13	-	-
Other income	14	4,665	6,001
<b>Total Income</b>		<b>4,665</b>	<b>6,001</b>
<b>Expenses</b>			
Finance cost	15	-	0
Depreciation	16	135	135
Other expenses	17	935	738
<b>Total expenses</b>		<b>1,070</b>	<b>873</b>
<b>Profit before tax</b>		<b>3,595</b>	<b>5,128</b>
<b>Tax expense:</b>	18		
- Current tax		942	1,328
- Deferred tax expense/(credit)		-	-
- Short/(excess) for earlier years		330	-
<b>Total tax expense</b>		<b>1,272</b>	<b>1,328</b>
<b>Profit for the year</b>		<b>2,323</b>	<b>3,800</b>
<b>Earnings per share</b>	19		
Nominal value per share: INR 10/-			
Earnings per share (absolute figures)			
Basic		0.93	1.52

**Summary of significant accounting policies**

2

The above statement of profit and loss should be read in conjunction with the accompanying notes

For and on behalf of the Board of Directors



Sanjeev Mathur  
Director  
DIN: 01092028



Rajat Jain  
Director  
DIN: 00658228

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

Vipin Bali  
Partner  
M.No. 083436



Place: New Delhi  
Date: May 11, 2023



SAKS ANCILLARIES LIMITED  
CIN : U74899MH1985PLC285656  
Statement of changes in equity as on March 31, 2023  
(All amounts in INR thousand, unless otherwise stated)

**A. Equity share capital**

	Note	Amount
As at April 01, 2021		24,997
Issue of equity share capital	9	-
As at March 31, 2022		24,997
Issue of equity share capital	9	-
As at March 31, 2023		24,997

**B. Other equity**

	Note	Reserves and surplus			Total
		Securities premium	General reserve	Retained earnings	
Balance as at April 01, 2021		200	195	88,756	89,151
Add: Profit for the year		-	-	3,800	3,800
Balance at March 31, 2022		200	195	92,556	92,951
Balance as at April 01, 2022		200	195	92,556	92,951
Add: Profit for the year		-	-	2,323	2,323
Balance at March 31, 2023		200	195	94,879	95,274
Summary of significant accounting policies	2				

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

For and on behalf of the Board

*Sanjeev Mathur*  
Sanjeev Mathur  
Director  
DIN: 01092028

*Rajat Jain*  
Rajat Jain  
Director  
DIN: 00658228

Place: New Delhi  
Date: May 11, 2023

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



*Vipin Bali*  
Vipin Bali  
Partner  
M.No. 083436

Cash flow Statement for the year ended March 31, 2023  
(All amounts in INR thousand, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>Cash flow from/(used in) operating activities:</b>			
<b>Net profit/(loss) before tax</b>		<b>3,595</b>	<b>5,128</b>
Adjustments for:			
Depreciation		135	135
Interest income on loans given		-	(4,451)
Interest on fixed bank deposits		(4,648)	(1,547)
Interest on income tax refund		(17)	(4)
Finance cost		-	0
<b>Operating profit/(Loss) before working capital changes</b>		<b>(935)</b>	<b>(738)</b>
<b>Change in working capital:</b>			
Increase/(Decrease) in trade payables		(72)	64
Increase/(Decrease) in other current liabilities		1	(1)
(Increase)/Decrease in other non-current financial assets		-	70
(Increase)/Decrease in other current assets		(124)	(51)
<b>Cash from/(used in) operations</b>		<b>(1,130)</b>	<b>(657)</b>
Less: Income tax paid		(1,005)	(1,350)
Add: Income tax refund		242	47
Add: Interest on income tax refund		17	4
<b>Net cash generated from/(used in) operating activities</b>	<b>A</b>	<b>(1,876)</b>	<b>(1,956)</b>
<b>Cash flow from/(used in) investing activities:</b>			
Inflow from fixed deposits matured		97,500	-
Outflow due to fixed deposits made with the bank		(102,500)	(56,500)
Interest received on fixed deposits made with the bank		7,331	8,949
Proceeds from loan given to related party		-	50,000
<b>Net cash generated/(used in) investing activities</b>	<b>B</b>	<b>2,331</b>	<b>2,449</b>
<b>Cash flow from/(used in) financing activities:</b>			
Finance cost		-	(0)
<b>Net cash from/(used in) financing activities</b>	<b>C</b>	<b>-</b>	<b>(0)</b>
Net increase/(decrease) in cash and cash equivalents		455	494
Add: Net cash and cash equivalents at the beginning of the year		1,030	536
<b>Cash and cash equivalents as at year end</b>		<b>1,485</b>	<b>1,030</b>
Balance with banks as per Note 6a		1,485	1,030
<b>Total</b>		<b>1,485</b>	<b>1,030</b>

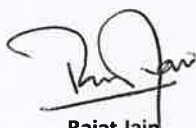
Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flow".
- Figures in brackets indicate cash outflow.
- The above cash flow statement should be read in conjunction with the accompanying notes.

For and on behalf of the Board



Sanjeev Mathur  
Director  
DIN: 01092028



Rajat Jain  
Director  
DIN: 00658228

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

Vipin Bali  
Partner  
M.No. 083436



Place: New Delhi  
Date: May 11, 2023

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

### 1. Corporate Information

SAKS Ancillaries Ltd. is a company incorporated under the provisions of the erstwhile Company Act, 1956 to engage in the business of manufacturing Automotive Wiring Harness and related activities. Up to 21<sup>st</sup> March 2018, it was a subsidiary of erstwhile Samvardhana Motherson International Limited (SAMIL). It became a subsidiary of Samvardhana Motherson Innovative Solutions Limited (SMISL) upon the transfer of SAMIL's shareholding of 14,52,690 equity shares to SMISL. Thereafter SAMIL became the ultimate Holding Company.

The Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated December 22, 2021 sanctioned a 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. Thereafter, Motherson Sumi Systems Limited (MSSL) becomes the ultimate Holding Company.

The name of Motherson Sumi Systems Limited (MSSL) was changed to Samvardhana Motherson International Limited (SAMIL) w.e.f May 18, 2022.

### 2. Summary of significant accounting policies

#### A. Basis of preparation

##### (i) 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. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

The financial statements are presented in INR and all values are rounded to the nearest thousands, except when otherwise stated.

##### (ii) Historical Cost Convention

These financial statements have been prepared on a historical cost basis, except, if required, for certain items that are measured at fair value at the end of each reporting period, in accordance with Ind AS.

##### (iii) 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

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.

### B. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost is inclusive of freight, taxes and other directly attributable costs of bringing the asset to the working condition for intended use.

In accordance with Ind AS 16 "Property, Plant and Equipment", the Company charges assets costing less than Rs. 5,000 to the Statement of Profit and Loss which could otherwise have been included as Property, plant and equipment, because the amount is not material in accordance with Ind AS 16 "Property, Plant and Equipment".

#### Depreciation methods, estimated useful lives and residual value

Depreciation on fixed assets is provided from the month the asset is ready for commercial production on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, as determined by the management or at the useful life prescribed under Schedule II of the Companies Act, 2013, whichever is lower as follows:

Assets	Useful life
Plant & Machinery, Factory Equipments	7.5 years
Plant & Machinery (Rack, Stand & Trolley)	1 year
Computers	3 years
Vehicles	4 years
Furniture and Fixtures	6 years
Office Equipments	5 years
Factory Building	30 years

### C. Intangible assets

Intangible assets are stated as acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The useful life adopted is

Assets	Useful life
Software	3 years

### D. Inventory Valuation

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

### E. Revenue Recognition

Effective April 1, 2018, the Company has adopted Ind AS 115, Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue.

This Ind AS introduces a new five-step approach to measuring and recognizing revenue from contracts with customers. Under Ind AS 115, revenue recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to customer.

### F. Retirement and other benefits of employees

The Company makes regular contribution to the state administered Provident fund and ESI which is charged to revenue. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. In respect of gratuity, the company funds the benefit through annual contributions to Life Insurance Corporation of India (LIC) under its group gratuity scheme. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.



# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

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### G. Taxation

#### Current Tax

Current Tax is provided on the basis of tax payable on estimated taxable income computed in accordance with the applicable provisions of Income Tax Act, 1961 after considering the benefits available under the said Act.

#### Deferred Taxes

In accordance with Ind AS 12- "Income Taxes", the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

### H. Foreign exchange transactions

Transactions involving foreign currencies are recorded at the exchange rate prevailing on the transaction date. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Foreign currency monetary items are translated at the exchange rate prevailing at the balance sheet date and the gain/loss arising on such translation is charged to the profit and loss account. Premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of contract.

### I. Borrowing cost

The borrowing costs on funds other than those directly attributable to the acquisition of a qualifying asset i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use, is charged to revenue in the period in which they are incurred.

The borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset.

### J. Earnings per equity share (EPS)

The earnings considered in ascertaining the company's EPS comprises the net profit after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting the effect of potential dilutive equity shares.

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

### K. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price, and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

### L. Provisions and contingent liabilities

A provision is recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### M. Financial Instruments:

#### Financial Assets:

##### Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus 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.

##### 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.

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVPL) 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 are classified as at FVPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### Derecognition

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

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

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

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.

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

### 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, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

### **Financial Liabilities**

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

#### 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.

#### 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.

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

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### Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognized.

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 interest-bearing loans and borrowings.

### De-recognition

A financial liability is derecognized 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.

### Offsetting of financial instruments

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

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

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### 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

### N. Leases- Ind AS 116

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

- Building: 5 years
- Machineries: 1 to 6 years
- Motor vehicles: 1 to 6 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.

# SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

### 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 vehicles (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 is considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### 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.

For and on behalf of the Board of Directors

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



Sanjeev Mathur  
Director  
DIN: 01092028



Rajat Jain  
Director  
DIN: 00658228



Vipin Bali  
Partner  
M.No. 083436

Place: New Delhi  
Date: May 11, 2023

**3. Property, plant and equipment**

Particulars	Freehold land	Building	Total
<b>Year ended March 31, 2022</b>			
<b>Gross carrying amount</b>			
As at April 01, 2021	1,289	1,705	2,994
Additions	-	-	-
Disposals	-	-	-
<b>Closing gross carrying amount</b>	<b>1,289</b>	<b>1,705</b>	<b>2,994</b>
<b>Accumulated depreciation</b>			
As at April 01, 2021	-	674	674
Depreciation charge during the year	-	135	135
Disposals	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>809</b>	<b>809</b>
<b>Net carrying amount</b>	<b>1,289</b>	<b>896</b>	<b>2,185</b>
<b>Year ended March 31, 2023</b>			
<b>Gross carrying amount</b>			
As at April 01, 2022	1,289	1,705	2,994
Additions	-	-	-
Disposals	-	-	-
<b>Closing gross carrying amount</b>	<b>1,289</b>	<b>1,705</b>	<b>2,994</b>
<b>Accumulated depreciation</b>			
As at April 01, 2022	-	809	809
Depreciation charge during the year	-	135	135
Disposals	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>944</b>	<b>944</b>
<b>Net carrying amount</b>	<b>1,289</b>	<b>761</b>	<b>2,050</b>

## SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

## 4. Other financial assets - Non current

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good) Security deposit	118	118
<b>Total</b>	<b>118</b>	<b>118</b>

## 5a. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks: - In current accounts	1,485	1,030
<b>Total</b>	<b>1,485</b>	<b>1,030</b>

## 5b. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with maturity of less than 12 months	114,500	109,500
<b>Total</b>	<b>114,500</b>	<b>109,500</b>

## 6. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good) Interest accrued on fixed deposits	1,725	4,408
<b>Total</b>	<b>1,725</b>	<b>4,408</b>

## 7. Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	572	598
Less: Current tax payable for the year	(942)	(1,328)
Add: Advance tax paid & TDS receivable	1,005	1,350
Less: Income tax refund	(242)	(47)
Less: Adjustments for tax of prior periods	(330)	-
<b>Closing balance</b>	<b>63</b>	<b>572</b>

## 8. Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good, unless otherwise stated) Balances with government authorities	417	293
<b>Total</b>	<b>417</b>	<b>293</b>



9. Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised :</b> 30,00,000 (March 31, 2022 : 30,00,000) equity shares of INR 10 each	30,000	30,000
<b>Issued, subscribed and Paid up:</b> 24,99,650 (March 31, 2022 : 24,99,650) equity shares of INR 10 each	24,997	24,997
<b>a. Movement in equity share capital</b>		
As at March 31, 2022	Numbers	Amount
Add: Changes during the year	2,499,650	24,997
As at March 31, 2023	2,499,650	24,997

b. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Particulars	As At March 31, 2023		As At March 31, 2022	
	Nos.	%	Nos.	%
<b>Equity shares:</b>				
Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)	1,005,084	40.21%	1,005,084	40.21%
Samvardhana Motherson Innovative Solutions Limited*	1,452,690	58.11%	1,452,690	58.11%
<b>Total</b>	<b>2,457,774</b>	<b>98.32%</b>	<b>2,457,774</b>	<b>98.32%</b>

c. Details of shareholding of promoters group

As at 31 March 2023

Particulars	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year^
Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (Ultimate Holding Company)	1,005,084	-	1,005,084	40.21%	-
Samvardhana Motherson Innovative Solutions Limited*(Holding Company)	1,452,690	-	1,452,690	58.11%	-
<b>Total</b>	<b>2,457,774</b>	<b>-</b>	<b>2,457,774</b>	<b>98.32%</b>	<b>-</b>

As at 31 March 2022

Particulars	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Erstwhile Samvardhana Motherson International Limited	1,005,084	(1,005,084)	-	0.00%	(100.00%)
Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)	-	1,005,084	1,005,084	40.21%	100.00%
Samvardhana Motherson Innovative Solutions Limited*	1,452,690	-	1,452,690	58.11%	-
<b>Total</b>	<b>2,457,774</b>	<b>-</b>	<b>2,457,774</b>	<b>98.32%</b>	<b>-</b>

\* Including 500 shares held by nominees

The Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated December 22, 2021 sanctioned a 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. Thereafter, Motherson Sumi Systems Limited (MSSL) becomes the ultimate Holding Company.

The name of Motherson Sumi Systems Limited (MSSL) was changed to Samvardhana Motherson International Limited (SAMIL) w.e.f May 18, 2022.

10. Reserves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Reserves and surplus:</b>		
Share premium	200	200
General reserve	195	195
Retained earnings	94,879	92,556
<b>Total</b>	<b>95,274</b>	<b>92,951</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Retained earnings</b>		
Opening balance	92,556	88,756
Add/(less): Net profit/(loss) for the period	2,323	3,800
<b>Closing balance</b>	<b>94,879</b>	<b>92,556</b>

11. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Total outstanding dues of micro and small enterprises:</b>		
Related party	-	-
Others	-	-
<b>Total outstanding dues of creditors other than micro and small enterprises:</b>		
Related party	53	22
Others	26	129
<b>Total</b>	<b>79</b>	<b>151</b>

Trade payables ageing schedule:

Undisputed	Trade payables dues of micro and small enterprises				Trade payables dues of creditors other than micro and small enterprises			
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
	Related party	Other	Related party	Other	Related party	Other	Related party	Others
Current but not due	-	-	-	-	53	26	22	129
Outstanding for following periods from due date of payment:								
Less than 6 Months	-	-	-	-	-	-	-	-
6 months – 1 year	-	-	-	-	-	-	-	-
1-2 years	-	-	-	-	-	-	-	-
2-3 years	-	-	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>53</b>	<b>26</b>	<b>22</b>	<b>129</b>

12. Other current liability

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	8	7
<b>Total</b>	<b>8</b>	<b>7</b>

**SAKS ANCILLARIES LIMITED**

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

(All amounts in INR thousand, unless otherwise stated)

**13. Revenue from operations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	-	-
<b>Total</b>	-	-

**14. Other income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from:		
Loan given to related party	-	4,451
Fixed deposits with bank	4,648	1,547
Income tax refund	17	4
<b>Total</b>	<b>4,665</b>	<b>6,001</b>

**15. Finance cost**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on statutory dues	-	0
<b>Total</b>	-	0

**16. Depreciation**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	135	135
<b>Total</b>	<b>135</b>	<b>135</b>

**17. Other expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs and maintenance of building	52	-
Rates & taxes	54	42
Insurance	12	16
Legal and professional expenses	32	30
Payments to auditor's (refer detail below)*	29	25
Bank charges	3	3
Security services	636	623
Water Charges	117	-
<b>Total</b>	<b>935</b>	<b>738</b>

**\*Auditor's remuneration**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fee	29	25
<b>Total</b>	<b>29</b>	<b>25</b>

## SAKS ANCILLARIES LIMITED

CIN: U74899MH1985PLC285656

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

(All amounts in INR thousand, unless otherwise stated)

**18. Income tax expense****A). Income tax recognized in the statement of profit and loss :**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax</b>		
In respect of current year	942	1,328
In respect of earlier years	330	-
Total current tax expense	1,272	1,328
<b>Deferred Tax</b>		
Decrease/(increase) in deferred tax assets (net)	-	-
Total deferred tax expense / (benefit)	-	-
<b>Total</b>	<b>1,272</b>	<b>1,328</b>

**B). Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit before tax as per Statement of Profit and Loss</b>	<b>3,595</b>	<b>5,128</b>
Applicable tax rate	25.168%	25.168%
<b>Income tax calculated at applicable tax rate</b>	<b>905</b>	<b>1,291</b>
<b>Adjustments:</b>		
Tax effect of amounts which are not deductible in calculating taxable income	37	38
<b>Income tax recognised in the statement of profit and loss</b>	<b>942</b>	<b>1,328</b>

**19. Earnings per equity share**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax available for equity shareholders	2,323	3,800
Weighted average number of equity shares of INR 10 each (March 31, 2022: INR 10 each)	2,499,650	2,499,650
Basic earnings (in INR) per share of INR 10 each. (March 31, 2022: INR 10 each) (absolute figures)	0.93	1.52

**Note:** The company does not have any potential equity shares and thus there is no diluted EPS

20. Fair value measurement  
Financial instruments by category

1) Financial assets & liabilities

Particulars	As at March 31, 2023				As at March 31, 2022			
	FVPL	FVOCI	Amortised cost	Total	FVPL	FVOCI	Amortised cost	Total
<b>Non current assets</b>								
<b>Financial assets:</b>								
Other financial assets*	-	-	118	118	-	-	118	118
<b>Total Non-current financial assets</b>	-	-	118	118	-	-	118	118
<b>Current assets</b>								
<b>Financial assets:</b>								
Cash and cash equivalents*	-	-	1,485	1,485	-	-	1,030	1,030
Bank balances other than (5a) above*	-	-	114,500	114,500	-	-	109,500	109,500
Other current financial assets*	-	-	1,725	1,725	-	-	4,408	4,408
<b>Total current financial assets</b>	-	-	117,710	117,710	-	-	114,938	114,938

\*As any financial asset or liability does not fall under the category of either fair value through profit and loss (FVTPL) or other comprehensive income (FVTOCI), therefore the Company has not made such classification.

2). Fair value of non-current financial assets and liabilities measured at amortized cost

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
Other financial assets	118	118	118	118
<b>Total non-current financial assets</b>	118	118	118	118
<b>Financial liabilities:</b>				
Borrowings	-	-	-	-
Other financial liabilities	-	-	-	-
<b>Total non-current financial liabilities</b>	-	-	-	-

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

Note: The carrying amounts of current financial assets is considered to be the same as their fair value, due to its short-term nature.

3) Valuation technique used to determine fair value

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



SAKS ANCILLARIES LIMITED  
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Notes to the financial statements for the year ended March 31, 2023  
(All amounts in INR thousand, unless otherwise stated)

21. Financial risk management  
Considering the nature and level of

22. Dues to micro and small enterprises

Based on information available with the management, there were no dues payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006".

23. Related parties disclosures

I. Entities with control/ joint control over the entity:

- (i). Samvardhana Motherson Innovative Solutions Limited (SMISL) (Holding Company)
- (ii) Samvardhana Motherson International Limited (Formerly Motherson Sumi Systems Limited)(Ultimate Holding Company)

II. Others

- (i). Motherson Auto Limited
- (ii). Samvardhana Employees Welfare Trust
- (iii). Motherson Technology Services Limited (Formerly MothersonSumi Infotech & Designs Ltd.)

III. Details of transactions. In the ordinary course of business at commercial terms, and balances with related parties as mentioned in I & II above:

S. No.	Particulars	Parties	Parties mentioned in note no.21 (i) For the year ended March 31, 2023	Parties mentioned in note no.21 (ii) For the year ended March 31, 2022
	Transactions:			
1	Purchase of services	Motherson Technology Services Limited (Formerly MothersonSumi Infotech & Designs Ltd.)	-	31
2	Reimbursement given	Motherson Auto Limited	-	23
3	Reimbursement given	Samvardhana Motherson International Limited (Formerly Motherson Sumi Systems Limited)	7	11
4	Interest Income	Samvardhana Employees Welfare Trust	-	-
5	Loan Received back	Samvardhana Employees Welfare Trust	-	4,451
			-	50,000

IV. Balances at year end:

S. No.	Particulars	Parties	Parties mentioned in note no.21 (i) As at March 31, 2023	Parties mentioned in note no.21 (ii) As at March 31, 2022
1	Expenses Payable	Motherson Technology Services Limited (Formerly MothersonSumi Infotech & Designs Ltd.)	-	53
				22

24. Ratio Analysis

Ratios	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change	Reasons if variance is more than 25%
Current Ratio	Current Assets	Current Liabilities	1358.51:1	732.93:1	85.35%	Variance due to combined effect of: 1. Fixed deposits matured in the current year: INR 9,75,00,000 2. Fixed deposits made in the current year: INR 10,25,00,000
Debt Equity Ratio	Debt = Current Liabilities + Non-Current Liabilities	Equity	-	-	-	-

**SANS ANCILLARIES LIMITED**

CIN: U74899MH1985PLC28566

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

(All amounts in INR thousand, unless otherwise stated)

Debt Service Coverage Ratio	Earning for debt services	Interest & Lease Payments + Principal Repayments	-	-	-
Return on Equity Ratio	Profit after Tax	Average share holders equity fund	1.95%	3.27%	(40.43%) Decrease in interest income from loans given to related parties during the current year as such loans were received back in the previous year itself
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	-	-	-
Trade Receivables Turnover Ratio	Gross Credit Sales - Sales Return	Average Trade Receivables	-	-	-
Trade Payables Turnover Ratio	Net Credit Purchase	Average Trade Payables	-	-	-
Net Capital Turnover Ratio	Net Sales	Working Capital	-	-	-
Net Profit Ratio	Net Profit	Net Sales	-	-	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	3.02%	4.42%	(31.66%) Decrease in interest income from loans given to related parties during the current year as such loans were received back in the previous year itself
Return on Investment	Interest Income	Investment	-	-	-

**25-Other statutory information**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in crypto-currencies or virtual currencies during the financial year.
- The Company has 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:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any funds 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:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Company does not have any such transaction which is not recorded in the books of accounts that have 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.)
- The Company is not declared as a wilful defaulter by any bank or financial institution.
- The Company has not revalued its Property, plant and equipment and intangible assets

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

27. Previous year's figures have been re-grouped/re-arranged wherever necessary

For and on behalf of the Board

*[Signature]*  
Sanjeev Mathur  
Director  
DIN 01092028

*[Signature]*  
Rajat Jain  
Director  
DIN 00658228

Place: New Delhi  
Date: May 11, 2023

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



Vipin Ball  
Partner  
M.No. 083436