Motherson Electronic Components Private Limited

Financial Statements
2024-25

Motherson Electronic Components Private Limited
Balance Sheet as at March 31, 2025
CIN: U26109DL2023PTC411085

(All amounts in INR Million, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,644.17	1,671.55
Capital work in progress	3	2,661.29	433.45
Right of use assets	4	2,672.85	330.48
Intangible assets	5	46.80	2.39
Financial assets			
Other financial assets	6	86.68	42.06
Deferred tax assets (net)	7	-	-
Other non-current assets	8	679.43	72.29
Total non-current assets		**8,791.22**	**2,552.22**
Current assets			
Inventories	9	547.79	7.92
Financial assets			
i. Investments	10	-	301.32
ii. Trade receivables	11	1,472.38	-
iii. Cash and cash equivalents	12	0.46	54.11
iv. Other financial assets	6	1.29	-
Other current assets	8	671.04	286.10
Current tax assets (net)	13	0.75	2.13
Total current assets		**2,693.71**	**651.58**
Total assets		**11,484.93**	**3,203.80**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	4,650.00	1,000.00
Other equity	15	(577.96)	(30.80)
Total Equity		**4,072.04**	**969.20**
LIABILITIES			
Non current liabilities			
Financial liabilities			
i. Borrowings	16(a)	5,241.26	1,500.00
ii. Lease Liabilities	17	447.89	331.66
Employee benefit obligations	18	25.00	10.70
Other non-current liabilities	21	343.95	-
Total non-current liabilities		**6,058.10**	**1,842.36**
Current liabilities			
Financial liabilities			
i. Borrowings	16(b)	158.51	-
i. Lease Liabilities	17	26.31	12.75
ii. Trade payables	19		
Total outstanding dues of micro and small enterprises		14.83	0.59
Total outstanding dues of creditors other than micro and small enterprises		881.34	36.92
iii. Other financial liabilities	20	85.26	334.26
Employee benefit obligations	18	0.81	0.40
Other current liabilities	21	187.73	7.32
Total current liabilities		**1,354.79**	**392.24**
Total liabilities		**7,412.89**	**2,234.60**
Total equity and liabilities		**11,484.93**	**3,203.80**
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Nikhil Gupta
Digitally signed by Nikhil Gupta
DN: cn=Nikhil Gupta, o=Personal, email=nikhil.gupta@srb.in
Location: Gurugram
Date: 2025.05.27 22:33:42 +05'30'

per Nikhil Gupta
Partner
Membership No. : 517577
Place: Gurugram
Date: 27.05.2025

For and on behalf of the Board of Directors
Motherson Electronic Components Private Limited

VISHAL SWARUPSHYAM KABADI
Digitally signed by VISHAL SWARUPSHYAM KABADI
Date: 2025.05.27 21:51:43 +05'30'

Vishal Swarupshyam Kabadi
Director
DIN : 07562946

SUKANT GUPTA
Digitally signed by SUKANT GUPTA
Date: 2025.05.27 21:54:10 +05'30'

Sukant Gupta
Director
DIN: 10355472

PRAKASH KATAMA
Digitally signed by PRAKASH KATAMA
Date: 2025.05.27 21:56:56 +05'30'

Prakash Katama
Chief Operating Officer & Manager
PAN : ARGPK1228H

DEVINDER KANSAL
Digitally signed by DEVINDER KANSAL
Date: 2025.05.27 21:46:49+05'30'

Devinder Kansal
Chief Financial Officer
PAN : AFMPK5342Q

SHUBHAM ARORA
Digitally signed by SHUBHAM ARORA
Date: 2025.05.27 22:00:03 +05'30'

Shubham Arora
Company Secretary
ACS : 63087
Place: Noida
Date: 27.05.2025

Motherson Electronic Components Private Limited
Statement of Profit and Loss for year ended March 31, 2025
CIN: U26109DL2023PTC411085

(All amounts in INR Million, unless otherwise stated)

	Notes	For the period ended March 31, 2025	For the period March 15, 2023 to March 31, 2024
Revenue			
Revenue from contract with customers	**22**	1,750.51	-
Other operating revenue	**23**	1.12	0.19
Total revenue from operations		**1,751.63**	**0.19**
Other income	**24**	7.34	11.22
Total income		**1,758.97**	**11.41**
Expenses			
Cost of materials consumed	**25**	1,426.73	2.29
(Increase)/Decrease in inventory of finished goods and work-in-progress	**26**	(98.93)	(2.57)
Employee benefits expense	**27**	215.69	7.33
Depreciation and amortisation expense	**28**	247.53	5.66
Finance costs	**29**	197.19	3.47
Other expenses	**30**	302.40	8.33
Total expenses		**2,290.61**	**24.51**
Loss before tax		**(531.64)**	**(13.10)**
Tax expenses			
-Current tax		-	-
-Deferred tax expense/ (credit)	**31**	-	-
Total tax expense		**-**	**-**
Loss for the year		**(531.64)**	**(13.10)**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent period			
Remeasurements of employment benefit obligations		**(8.37)**	**-**
Deferred tax on remeasurements of post employment benefit obligations		**-**	**-**
Total Other comprehensive income		**(8.37)**	**-**
Total comprehensive income for the year, net of taxes		**(540.01)**	**(13.10)**
Earnings/(Loss) per share	**32**		
Nominal value per share: INR 10/- (Previous year: INR 10/-)			
Basic & Diluted		(2.44)	(0.13)
Summary of material accounting policies	**2**		
The accompanying notes are an integral part of the financial statements			

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Digitally signed by Nikhil Gupta
DN: cn=Nikhil Gupta, o=Personal, email=nikhil.gupta@srb.in
Location: Gurugram
Date: 2025.05.27 22:35:00 +05'30'

per Nikhil Gupta
Partner
Membership No. : 517577
Place: Gurugram
Date: 27.05.2025

For and on behalf of the Board of Directors
Motherson Electronic Components Private Limited

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Digitally signed by VISHAL SWARUPSHYAM KABADI
Date: 2025.05.27 21:52:16 +05'30'

Vishal Swarupshyam Kabadi
Director
DIN : 07562946

SUKANT GUPTA
Digitally signed by SUKANT GUPTA
Date: 2025.05.27 21:54:43 +05'30'

Sukant Gupta
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DIN: 10355472

PRAKASH KATAMA
Digitally signed by PRAKASH KATAMA
Date: 2025.05.27 21:57:33 +05'30'

Prakash Katama
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PAN : ARGPK1228H

DEVINDER KANSAL
Digitally signed by DEVINDER KANSAL
Date: 2025.05.27 21:47:31+05'30'

Devinder Kansal
Chief Financial Officer
PAN : AFMPK5342Q

SHUBHAM ARORA
Digitally signed by SHUBHAM ARORA
Date: 2025.05.27 22:00:30 +05'30'

Shubham Arora
Company Secretary
ACS : 63087
Place: Noida
Date: 27.05.2025

Motherson Electronic Components Private Limited
Statement of Changes in Equity as at and for the year ended March 31, 2025
CIN: U26109DL2023PTC411085

(All amounts in INR Million, unless otherwise stated)

A. Equity share capital

	Notes	As at March 31, 2025		As at March 31, 2024	
		No of shares	Amount	No of shares	Amount
Opening Balance	14	10,00,00,000	1,000	-	-
Add: Issue of equity share capital	14	36,50,00,000	3,650	10,00,00,000	1,000
Closing Balance		**46,50,00,000**	**4,650**	**10,00,00,000**	**1,000**

B. Other equity

	Notes	Reserves and surplus	
		Retained earnings	Total
Balance as at March 15, 2023	15	-	-
Profit for the year		-	-
Other comprehensive income	15	-	-
Total comprehensive income for the year		-	-
Additions during the year		(30.80)	(30.80)
Balance as at March 31, 2024	15	**(30.80)**	**(30.80)**
Opening Balance	15	(30.80)	(30.80)
Loss for the period		(531.64)	(531.64)
Other comprehensive income		(8.37)	(8.37)
Stamp duty on increase in equity share capital	15	(7.15)	(7.15)
Balance As at March 31, 2025		**(577.96)**	**(577.96)**

Summary of material accounting policies **2**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Nikhil Gupta
Digitally signed by Nikhil Gupta
DN: cn=Nikhil Gupta, o=Personal, email=nikhil.gupta@srb.in
Location: Gurugram
Date: 2025.05.27 22:36:22 +05'30'

per Nikhil Gupta
Partner
Membership No. : 517577
Place: Gurugram
Date: 27.05.2025

For and on behalf of the Board of Directors
Motherson Electronic Components Private Limited

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Digitally signed by VISHAL SWARUPSHYAM KABADI
Date: 2025.05.27 21:52:35 +05'30'

Vishal Swarupshyam Kabadi
Director
DIN : 07562946

SUKANT GUPTA
Digitally signed by SUKANT GUPTA
Date: 2025.05.27 21:55:14 +05'30'

Sukant Gupta
Director
DIN: 10355472

PRAKASH KATAMA
Digitally signed by PRAKASH KATAMA
Date: 2025.05.27 21:57:55 +05'30'

Prakash Katama
Chief Operating Officer & Manager
PAN : ARGPK1228H

DEVINDER KANSAL
Digitally signed by DEVINDER KANSAL
Date: 2025.05.27 21:48:02+05'30'

Devinder Kansal
Chief Financial Officer
PAN : AFMPK5342Q

SHUBHAM ARORA
Digitally signed by SHUBHAM ARORA
Date: 2025.05.27 22:00:56 +05'30'

Shubham Arora
Company Secretary
ACS : 63087
Place: Noida
Date: 27.05.2025

Motherson Electronic Components Private Limited
Statement of Cash Flow for the year ended March 31, 2025
CIN: U26109DL2023PTC411085

(All amounts in INR Million, unless otherwise stated)

	For the period ended March 31, 2025	For the period March 15, 2023 to March 31, 2024
A. Cash flow from operating activities:		
Loss before tax	(531.64)	(13.19)
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expense	247.53	5.66
Loss on disposal of property, plant and equipment (net)	-	0.02
Gain on sale of mutual fund	(3.14)	(1.06)
Provision for employee benefits	1.12	(1.12)
Interest income	(4.13)	(9.77)
Finance cost	197.19	3.47
Operating Loss before working capital changes	**(93.07)**	**(16.00)**
Change in working capital:		
Increase in trade payables	858.66	37.51
Increase in other payables	524.35	9.71
(Decrease)/ Increase in other financial liabilities	(249.00)	331.88
Increase in employee benefits	5.22	12.23
Decrease in trade receivables	(1,472.38)	-
Increase in inventories	(539.87)	(7.92)
Increase in other financial assets	(41.79)	(40.64)
Increase in other receivables	(992.48)	(324.99)
Cash used in operations	**(1,907.28)**	**17.78**
Income taxes paid	1.39	(2.13)
Net cash used in operations	**(1,998.96)**	**(0.35)**
B. Cash flow from investing activities:		
Payments for property, plant and equipment (including capital work in progress and capital advances)	(3,436.39)	(2,132.53)
Proceeds from sale of property, plant and equipment	-	0.95
Interest received on Fixed Deposits	-	8.35
Investment income	3.14	-
Sale Proceeds of Mutual Funds	976.32	99.73
Investments in mutual funds	(675.00)	(400.00)
Net cash used in investing activities	**(3,131.93)**	**(2,423.49)**
C. Cash flow from financing activities:		
Proceeds from issue of equity shares	3,650.00	1,000.00
Fees for increase in authorized share capital	(7.15)	(17.61)
Interest paid	(165.19)	(2.73)
Proceeds from long term borrowings	6,469.77	1,500.00
Payment of Lease Liabilities	(2,300.18)	(1.71)
Repayment of long term borrowings	(2,670.00)	-
Proceeds from short term borrowings	100.00	-
Net cash generated from financing activities	**5,077.25**	**2,477.95**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(53.65)**	**54.11**
Net cash and cash equivalents at the beginning of the year	54.11	-
Cash and cash equivalents as at year end	**0.46**	**54.11**
Cash and cash equivalents comprise of the following (Note 12)		
Balances with banks	0.46	54.11
Cash on hand	-	-
Cash and cash equivalents as at year end	**0.46**	**54.11**
Total	**0.46**	**54.11**

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

Summary of material accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
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Digitally signed by Nikhil Gupta
DN: cn=Nikhil Gupta, o=Personal, email=nikhil.gupta@srb.in
Location: Gurugram
Date: 2025.05.27 22:36:54 +05'30'

per Nikhil Gupta
Partner
Membership No. : 517577
Place: Gurugram
Date: 27.05.2025

For and on behalf of the Board of Directors
Motherson Electronic Components Private Limited

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Digitally signed by VISHAL SWARUPSHYAM KABADI
Date: 2025.05.27 21:52:57 +05'30'

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DIN : 07562946

SUKANT GUPTA
Digitally signed by SUKANT GUPTA
Date: 2025.05.27 21:55:41 +05'30'

Sukant Gupta
Director
DIN: 10355472

PRAKASH KATAMA
Digitally signed by PRAKASH KATAMA
Date: 2025.05.27 21:58:29 +05'30'

Prakash Katama
Chief Operating Officer & Manager
PAN : ARGPK1228H

DEVINDER KANSAL
Digitally signed by DEVINDER KANSAL
Date: 2025.05.27 21:48:33+05'30'

Devinder Kansal
Chief Financial Officer
PAN : AFMPK5342Q

SHUBHAM ARORA
Digitally signed by SHUBHAM ARORA
Date: 2025.05.27 22:01:20 +05'30'

Shubham Arora
Company Secretary
ACS : 63087
Place: Noida
Date: 27.05.2025

1 Company Overview

Motherson Electronic Components Private Limited (the Company) was incorporated on 15.03.2023 and has its registered office at F-7 Block, B-1, MCIE, Mohan Cooperative Industrial Estate, Mathura Road, Tugalkabad, New Delhi, South Delhi-110044. The Company has established manufacturing facilities operating in Chennai.

The Company has been setup primarily to engage in the business of manufacturing, design, development, assembly, marketing, sale of components, materials, for use in or with electronic device products, other electronic products and services related thereto.

The Company has been granted approval under the Scheme “Manufacturing and Other Operations in a Customs Bonded Warehouse (MOOWR)” for manufacturing and other operations; the Scheme entitles the Company to custom duty benefits on import of machinery and other items.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on May 27, 2025.

Material accounting policies

2.01 Basis of preparation

(a) The financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

(b) The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amounts- Refer Note 2.15

(c) The financial statements are presented in INR and all values are rounded to the nearest million with two decimal places (₹000,000.00), unless otherwise stated.

(d) The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.02 Current versus non-current classification

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

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

The Company classifies all other assets as non-current

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

2.03 Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

2.04 Use of Estimates and Judgements

In preparation of these financial statements, the management makes estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results may differ from estimates. any change in the estimates is accounted for in the year of change in estimates.

Useful life of property, plant and equipment

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation is determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 18.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.05 Revenue from Contracts with Customers

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

Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.
The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Cost to fulfill a contract

The Company recognises costs incurred to fulfil a contract as an asset if they relate directly to a specific contract, generate or enhance resources to be used in satisfying future performance obligations, and are expected to be recovered. Such costs may include direct labour, materials, contract-specific allocations, and subcontractor costs.
Costs that do not meet these criteria—such as general and administrative expenses are expensed as incurred.
The Company amortised the recognised assets in line with the transfer of goods or services under the contract and assessed regularly for impairment.

Contract Balances

Trade Receivables

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

Contract Assets

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

Contract Liabilities

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

Impairment

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

2.06 Other Income

Interest

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

Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and the entity will comply with the attached conditions.
Grants related to income are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs are incurred.
Grants related to assets are recognised over the useful life of the asset. As per the applicable accounting standard, such grants can be presented in the following ways -

- By recording the grant as deferred income and recognising it in profit or loss over time.
- By deducting the grant from the carrying amount of the asset and recognising it through reduced depreciation.

The entity has opted for the second approach, whereby the grant is deducted from the asset's carrying amount and recognised in profit or loss over its useful life through lower depreciation charges.

2.07 Inventories:

Raw Materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw material comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity.
Cost of inventories also includes all other cost incurred in brining the inventories to their present location and condition. Cost 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.

2.08 Property, Plant & Equipment

a) Property, Plant & Equipment -

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure, net of any subsequent sale proceeds of items produced over the cost of testing, that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.
In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads and directly attributable borrowing costs.

Depreciation

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

Assets	Useful lives (years)*
Leasehold Improvements	Over the period of lease or useful life, whichever is lower
Plant & Machinery	15 Years
Furniture & fixtures	6 Years
Electrical Fittings	10 Years
Office equipments	5 Years
Computers	3 Years
Servers	6 Years
Factory Equipments	6 Years

* Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

b) Intangible Assets

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in Statement of profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use. The estimated useful life and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The use life of the Intangible assets are as follows:

Computer Software	3 Years

Retirement/Disposal:

An item of property, plant and equipment and intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment and intangible asset is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and intangible asset and is recognised in the Statement of profit or loss. Further in cases where the depreciation on the assets have been fully written off, the residual value of 5% or the value continued in the books are carried forward without applying further depreciation on the same.

Depreciation on Addition/Disposal of an asset:

In case of Addition/sale of asset including assets discarded, demolished or destroyed during the financial year, the depreciation on such asset shall be calculated on a pro rata basis from the date of such addition or as the case maybe upto the date such asset has been sold, discarded, demolished or destroyed.

2.09 Employee Benefits

Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Benefits such as salaries, short term compensated absences and bonus is recognized in the period in which the employee renders the related services. Short Term Employee benefits include performance incentives. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long Term Employee Benefits

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Defined contribution plans

Employees receive benefits from a provident fund and employee state insurance funds. The employer and employees each make periodic contributions to the plan as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made.

Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Company's liability towards Gratuity are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence.

2.10 Borrowing Cost

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

2.11 Leases

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

As a lessee

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

Right-of-use assets

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

Land	99 years
Building	10 years
Vechicle	3 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies note 2.14, Impairment of non-financial assets.

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.

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

Short-term leases and leases of low-value assets

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

2.12 Earnings per Share

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

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

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.13 Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

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

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Further Deferred income tax is created on the carry forward of unused tax losses and the carry forward of unused tax credits provided it fulfills the criteria of creation of deferred tax asset. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax originating and reversing during the tax holiday period is not provided for. Deferred tax is provided for to the extent originating and reversing after the tax holiday period.

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

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

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

2.14 Impairment of non-financial assets

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

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

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

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

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

2.15 Financial instruments

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

Financial assets

Initial recognition and measurement

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

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in note 2.06 Revenue from contracts with customers.

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

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

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

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

Debt instruments at 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

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

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the 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 derecognised (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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

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

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

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

- Trade receivables or contract revenue receivables;

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount".

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

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

- financial liabilities at fair value through profit and loss
- financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Financial liabilities at amortised cost (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 profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
This category generally applies to borrowings. For more information, refer note 15

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

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

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

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

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

Original Classification	Revised Classification	Accounting Treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	FVTPL assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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

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

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.16 Fair value measurement (continued)

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.04, 34)
- Quantitative disclosures of fair value measurement hierarchy (note 34)
- Financial Instruments (including those carried at amortised cost) (note 34)

2.17 Provisions and Contingent Liabilities

(a) Provisions

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

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

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

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

(b) Contingent Liabilities

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

2.18 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker "CODM". The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM review the operation of the Company as a whole.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have any impact on the Company's separate financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendments to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Company's financial statements.

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(All amounts in INR Million, unless otherwise stated)

3. Property, Plant and Equipment

Particulars	Leasehold Improvements	Server & Hardware	Factory Equipment	Plant & machinery	Furniture & fixtures	Electrical fittings	Office equipments	Computers	Total	Capital work in progress (Note 3)
Year ended March 31, 2025										
Gross carrying amount										
As at March 15, 2023	-	-	-	-	-	-	-	-	-	-
Additions	67.77	105.72	0.50	1,290.51	4.08	188.87	2.06	16.81	1,676.31	433.45
Disposals / (capitalisation)	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount March 31, 2024	**67.77**	**105.72**	**0.50**	**1,290.51**	**4.08**	**188.87**	**2.06**	**16.81**	**1,676.31**	**433.45**
Additions	22.61	35.15	16.35	1,043.35	14.60	11.62	2.24	25.74	1,171.67	3,346.13
Disposals / (capitalisation)	-	-	-	-	-	-	-	-	-	(1,118.30)
Closing gross carrying amount March 31, 2025	**90.38**	**140.88**	**16.85**	**2,333.86**	**18.68**	**200.49**	**4.30**	**43.07**	**2,847.99**	**2,661.29**
Accumulated depreciation										
As at March 15, 2023	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	0.96	0.35	0.00	1.57	0.15	0.34	0.11	1.28	4.77	-
Transfers/ adjustments									-	-
Disposals									-	-
Closing gross carrying amount March 31, 2024	**0.96**	**0.35**	**0.00**	**1.57**	**0.15**	**0.34**	**0.11**	**1.28**	**4.77**	**-**
Depreciation charge during the year	7.22	20.24	0.99	140.05	1.69	18.99	0.61	9.25	199.05	-
Transfers/ adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**8.18**	**20.59**	**0.99**	**141.61**	**1.85**	**19.34**	**0.72**	**11.06**	**203.82**	**-**
Net carrying amount - March 31, 2025	**82.20**	**120.28**	**15.86**	**2,192.25**	**16.84**	**181.15**	**3.58**	**32.01**	**2,644.17**	**2,661.29**
Net carrying amount - March 31, 2024	**66.80**	**105.37**	**0.50**	**1,288.95**	**3.93**	**188.53**	**1.95**	**15.52**	**1,671.55**	**433.45**

Note 1: During the year ended March 31, 2025, the Company has capitalised borrowing cost amounting to INR 153.05 million (March 31, 2024: INR 49.93 Million) in qualifying asset related to Property Plant & Equipment and Capital Work-in-Progress.
Note 2: The Company has procured certain plant and machinery under the Manufacturing and Other Operations in Warehouse Regulations (MOOWR) scheme and has availed duty benefits amounting to INR 202 million (March 31, 2024: INR 203 million). As of the balance sheet date, the Company is in compliance with the relevant rules and regulations of the scheme and does not anticipate any future economic outflows related to these duty benefits.
Note 3: Refer to Note 35 for disclosures on capital commitments related to the acquisition of property, plant, and equipment.

Capital work in progress (CWIP) ageing schedule

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Capital work in progress (CWIP) ageing schedule as at March 31, 2025					
- Projects in progress	2,661.29	-	-	-	**2,661.29**
Capital work in progress (CWIP) ageing schedule as at March 31, 2024					
- Projects in progress	433.45	-	-	-	**433.45**

(All amounts in INR Million, unless otherwise stated)

4. Right of Use Assets

Particulars	Buildings	Vehicles	Land	Total
Year ended March 31, 2025				
Opening Balance (ROU) as at March 15, 2023	-	-	-	-
Additions	349.84	4.44	-	354.28
Disposals / Adjustments	-	-	-	-
Cost as at March 31, 2024	**349.84**	**4.44**	**-**	**354.28**
Additions	156.69	8.76	2,250.20	2,415.65
Disposals / Adjustments	-	-	-	-
Cost as at March 31, 2025	**506.53**	**13.20**	**2,250.20**	**2,769.93**
Opening Balance (Accumulated Amortization) as at March 15, 2023				
Amortization for the period	23.32	0.48	-	23.80
Disposals / Adjustments - Amortization	-	-	-	-
Accumulated Amortization as at March 31, 2024	**23.32**	**0.48**	**-**	**23.80**
Amortization for the year	53.63	2.78	16.87	73.27
Disposals / Adjustments - Amortization	-	-	-	-
Accumulated Amortization as at March 31, 2025	**76.95**	**3.26**	**16.87**	**97.07**
Net carrying amount as at March 31, 2025	**429.58**	**9.94**	**2,233.33**	**2,672.85**
Net carrying amount as at March 31, 2024	**326.52**	**3.96**	**-**	**330.48**

Note 1: Building comprise premises taken on lease from a related party Motherson Auto Solution Limited at Motherson Industrial Park at Chennai for 10 years.
Note 2: During the current year amortisation capitalized in CWIP amounting to INR 28.24 Million and charged to P&L INR 45.03 Million (refer Note no. 28).
Note 3: The Company has entered into a lease deed with Motherson Auto Solution Limited (‘MASL’) for 250,160 square meters of land parcel located at Motherson Industrial Park in Chennai for a period of Ninety nine years as stipulated in lease deed.

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(All amounts in INR Million, unless otherwise stated)

5 Intangible assets

	Software	Total
Year ended Mar 31, 2025		
Gross carrying amount as at April 01, 2023	**-**	**-**
Additions	**2.55**	**2.55**
Disposals	**-**	**-**
Closing gross carrying amount March 31, 2024	**2.55**	**2.55**
Additions	47.86	47.86
Closing gross carrying amount March 31, 2025	**50.41**	**50.41**
Accumulated Amortisation		
Opening balance as at April 01, 2023	**-**	**-**
Amortisation charge during the period	0.16	0.16
Closing accumulated amortisation as at March 31, 2024	**0.16**	**0.16**
Amortisation charge during the period	3.45	3.45
Closing accumulated amortisation as at March 31, 2025	**3.61**	**3.61**
Net carrying amount - March 31, 2025	**46.80**	**46.80**
Net carrying amount - March 31, 2024	**2.39**	**2.39**

6 Other financial assets

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security Deposit	1.29	86.68	-	42.06
Total	**1.29**	**86.68**	**-**	**42.06**

7 Deferred tax asset (net)

The Company has carried out computation of deffered tax which is given below:

	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment	(52.05)	(23.15)
Right of use assets	(78.28)	-
Total deferred tax liabilities	**(130.33)**	**(23.15)**
Set-off of deferred tax assets pursuant to set-off provisions		
Lease liabilities	81.37	0.08
Others	-	0.01
Employee benefits obligation	1.82	1.52
Unabsorbed depreciation	47.13	21.53
Total deferred tax assets	**130.33**	**23.15**
Net deferred tax assets/(liabilities) net	**-**	**-**
Less: Unrecognized deferred tax liability*	-	-
Recognised deferred tax assets/(liabilities) (net)	-	-

* In absence of virtual certainty of sufficient taxable profit in the near future to realize the entire deferred tax assets, the same have been recognised only to the extent of deferred tax liabilities

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(All amounts in INR Million, unless otherwise stated)

8 Other assets

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Capital advances	-	308.42	-	33.40
Short term loans	-	-	3.32	-
Unamortised expenditure	143.54	338.14	1.00	8.38
Prepaid expenses	11.58	32.87	7.31	30.51
Balances with government authorities	506.77	-	251.94	-
Other receivables	1.24	-	8.27	-
Advance to suppliers	7.91	-	14.26	-
Total	**671.04**	**679.43**	**286.10**	**72.29**

9 Inventories

At the lower of cost and net realisable value

	March 31, 2025	March 31, 2024
Raw materials	342.72	5.07
Work-in-progress	50.45	2.54
Finished goods	51.04	0.03
Stores and consumables	103.58	0.28
Total	**547.79**	**7.92**

Note 1: During the year ended March 31, 2025 write down of inventories on account of provision in respect of obsolete/ non usable items amounted to INR 16.69 million (March 31, 2024 : Nil). These were recognised as an expense during the year and included in cost of materials consumed in statement of profit or loss.

Note 2: Raw materials includes goods in transit amounting into INR 37.86 million (March 31, 2024 : Nil).

10 Current Investments

	March 31, 2025	March 31, 2024
Quoted	**Current**	**Current**
Investment in mutual funds at FVTPL		
Aditya Birla Sun Life & AXIS Overnight Fund- Growth - Direct Plan Current year units Nil (Previous year 232672.816 units and NAV INR 1295.0496/unit)	-	301.32
Total Current Investments	**-**	**301.32**

11 Trade receivables

	Trade receivables	
	March 31, 2025	March 31, 2024
Unsecured, considered good	1,472.38	-
Total	**1,472.38**	**-**

Trade Receivable ageing as at 31st March, 2025 (outstanding for following periods from due date of payment)

Undisputed trade receivables ageing schedule	Trade receivables	
	March 31, 2025	March 31, 2024
Current but not due	1,472.38	-
Outstanding for following periods from due date of payment		
Less than 6 Months	1,472.38	-
6 months – 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**1,472.38**	**-**

During the financial year ended March 31, 2025 and March 31, 2024, there is no disputed trade receivable.

12 Cash and cash equivalents

	March 31, 2025	March 31, 2024
Balances with banks	0.46	54.11
Total	**0.46**	**54.11**

13 Current tax assets (net)

	March 31, 2025	March 31, 2024
Tax Receivable	0.75	2.13
Total	**0.75**	**2.13**

(All amounts in INR Million, unless otherwise stated)

14 Share Capital

	March 31, 2025	March 31, 2024
Authorised :		
1,25,00,00,000 Equity shares of INR 10 each (Previous Year: 20,00,00,000)	12,500.00	2,000.00
10,00,00,000 Preference shares of INR 10 each (Previous Year: Nil)	1,000.00	-
Issued, subscribed and paid up:		
46,50,00,000 Equity shares of INR 10 each (Previous Year: 10,00,00,000)	4,650.00	1,000.00
Preference shares of INR 10 each (Previous Year: Nil)	-	-
	4,650.00	**1,000.00**

a. Movement in Authorised equity share capital

	Numbers	Amount
As at March 15, 2023	**50,000**	**0.50**
Add: Issued during the period	19,99,50,000	1,999.50
As at March 31, 2024	**20,00,00,000**	**2,000.00**
Add: Issued during the period	1,05,00,00,000	10,500.00
As at March 31, 2025	**1,25,00,00,000**	**12,500.00**

b. Movement in issued equity share capital

	Numbers	Amount
As at March 15, 2023	**50,000**	**0.50**
Add: Issued during the period	9,99,50,000	999.50
As at March 31, 2024	**10,00,00,000**	**1,000.00**
Add: Issued during the period	36,50,00,000	3,650.00
As at March 31, 2025	**46,50,00,000**	**4,650.00**

c. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Preference Shares:

The Company has one class of preference shares having a par value of INR 10 per share. Each holder of preference share is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the preference shareholders has first right over the equity shareholders to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of share held by promoters

As at March 31, 2025	No of shares at the beginning of the period	Change during the period	No of shares at the end of the period	% of Total Shares	% change during the year
Samvardhana Motherson Innovative Solution Limited*	10,00,00,000	36,50,00,000	46,50,00,000	100%	365%
Total	**10,00,00,000**	**36,50,00,000**	**46,50,00,000**	**100%**	**365%**

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

*including 6 shares held by nominees

15 Other equity

	March 31, 2025	March 31, 2024
Reserves and Surplus		
Retained earnings	(577.96)	(30.80)
Total reserves and surplus	**(577.96)**	**(30.80)**

(i) Retained earnings	March 31, 2025	March 31, 2024
Opening balance	(30.80)	-
Stamp duty on increase in equity share capital	(7.15)	(17.61)
Accumulated Other Comprehensive Income	(8.37)	-
Profit/(loss) for the period	(531.64)	(13.19)
Closing balance	**(577.96)**	**(30.80)**

(All amounts in INR Million, unless otherwise stated)

16(a) Non-current borrowings

	March 31, 2025 Non Current	Mar 31, 2024 Non Current
Unsecured		
Loans from related parties (refer note 33)	1,800.00	1,500.00
Long term borrowings*	3,441.26	-
Total	**5,241.26**	**1,500.00**

16(b) Current borrowings

	March 31, 2025	March 31, 2024
Unsecured		
Working capital loans - from banks**	100.00	-
Bank Overdraft***	8.55	-
Current maturities of long term borrowings (refer note 16(a))	49.96	-
Total	**158.51**	**-**

Note 1: The Company has availed a loan facility of INR 14,000 million from HSBC, As at the reporting date, INR 3,500 million has been drawn down as term Loan and INR 100 Million as Working Capital Loan.

*** Principal Terms - Term Loan**

Rate of Interest	3M T-bill+127 basis Point
Tenor	Upto 5 years
Morotorium Period	1 Year
Repayment	Quarterly
Interest Accrued and due	Nil

**** Principal Terms - Working Capital Loan**

Rate of Interest	3M T-bill+110 basis Point
Tenor	Upto 6 Months
Interest Accrued and due	INR 0.06 Million

***** Principal Terms - Bank Overdraft**

Rate of Interest	3M T-bill+110 basis Point
Interest Payment frequency	Monthly
Interest Accrued and due	Nil

Note 2: Samvardhana Motherson International Limited (Ultimate Holding Company) has provided a guarantee for the borrowing availed from HSBC.
Note 3: The Company pays a commission of 1% per annum for the guarantee received (Refer Note 29).

17 Lease Liabilities

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

The Company has leases contracts for land, building, plant & machinery and vehicles. These lease arrangements for land are for a period upto 99 years, for building are for a period upto 10 years and vehicles are for a period upto 5 years.

	March 31, 2025	March 31, 2024
Current lease liabilities	26.31	12.75
Non-current lease liabilities	447.89	331.66
Total	474.20	344.40

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

	March 31, 2025	March 31, 2024
Interest expenses on lease liabilities (included in finance cost)[1]	32.00	0.73
Depreciation of Right-of-use assets[2]	45.03	0.68
Total	77.02	1.41

Note 1: During the year, Company has capitalised interest amounting to INR 8.98 million in capital work in progress.
Note 2: During the year, Company has capitalised depreciation amounting to INR 28.24 million in capital work in progress.

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(All amounts in INR Million, unless otherwise stated)

18 Employee benefit obligations

	March 31, 2025		March 31, 2024	
	Non-current	Current	Non-current	Current
Gratuity	13.40	0.26	7.04	0.20
Leave Encashment	11.61	0.55	3.66	0.20
Total	**25.00**	**0.81**	**10.70**	**0.40**

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

A. Defined contribution plan

The Company makes contribution to Provident Fund and Employee State Insurance contributions for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following expenditure in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
Amount recognised in the Statement of Profit and Loss is as follows (refer note 27)

	For the year ended March 31, 2025	For the period March 15, 2023 to March 31, 2024
Provident Fund	7.20	0.45
Employee State Insurance Fund	0.26	0.00
	7.46	**0.45**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued by the Government of India. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

B. Compensated absences

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.
Amount recognised in the Statement of Profit and Loss is as follows (refer note 27)

	For the year ended	
	March 31, 2025	March 15, 2023 to March 31, 2024
Leave encashment	6.60	2.26
	6.60	**2.26**

C. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is unfunded.
The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present Value of Defined Benefit Obligation	For the year ended	
	March 31, 2025	March 15, 2023 to March 31, 2024
Obligations at year beginning	7.24	-
Service cost - current	3.18	1.14
Interest expense	0.49	-
Amount recognised in profit or loss*	3.67	1.14
<u>Remeasurements</u>		
Actuarial (gain) / loss from change in demographic assumption	2.48	-
Actuarial (gain)/ loss from change in financial assumption	0.61	
Experience (gain)/loss		
Amount recognised in other comprehensive income	3.09	-
Less: Benefit payouts	(0.35)	
Addition due to transfer of employees	-	6.10
Obligations at year end	**13.66**	**7.24**

* During the year, Company has booked gratuity expenses amounting to INR 2.84 million under unamortised expenditure related to cost to fulfill the contract.

(ii) Assets and Liabilities recognized in the Balance Sheet

	For the year ended	
	March 31, 2025	March 15, 2023 to March 31, 2024
Present Value of the defined benefit obligations	13.66	7.24
Fair value of the plan assets	-	-
Amount recognized as Liability	**13.66**	**7.24**

(All amounts in INR Million, unless otherwise stated)

(iii) Defined benefit obligations cost for the year:

	For the year ended	
	March 31, 2025	March 15, 2023 to March 31, 2024
Service Cost - Current	3.18	1.14
Interest Cost (Net)	0.49	-
Amount recognised in statement of profit and loss	3.67	1.14
Actuarial (gain)/ loss	3.09	-
Amount recognised in statement of other comprehensive income	3.09	-
Net defined benefit obligations cost	**6.76**	**1.14**

(iv) Actuarial assumptions:

	For the year ended	
	March 31, 2025	March 15, 2023 to March 31, 2024
Discount Rate per annum	6.60%	7.00%
Future salary increases	8.00%	8.00%
Withdrawal rate	3.00%	3.00%

(v) Amount recognized in current year:

	March 31, 2025	March 31, 2024
Defined benefit obligations	13.66	7.24
Plan assets	-	-
Deficit/(Surplus)	**13.66**	**7.24**

vi) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions (movement by 100 basis point) :

	Change in Assumption		Present value of obligation	
March 31, 2025	Increase by (%)	Decrease by (%)	due to increase in %	due to decrease in %
Discount Rate per annum	0.50%	0.50%	(0.76)	0.83
Future salary increases	0.50%	0.50%	0.81	(0.75)

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

vii) Risk exposure

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

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

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

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria .

viii) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 15 years. Expected benefit payment is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2025					
Defined benefit obligation (gratuity)	0.27	0.34	2.44	10.60	13.66

ix) Average duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 12 years.

(All amounts in INR Million, unless otherwise stated)

19 Trade payables

	March 31, 2025	March 31, 2024
Total outstanding dues of micro and small enterprises		
- Related parties (refer Note 33)	0.00	-
- Others	14.83	0.59
Total outstanding dues of creditors other than		
- Related parties (refer Note 33)	91.00	4.35
- Others	790.34	32.57
Total	**896.17**	**37.51**

Trade payables ageing schedule:

Particulars	Not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	14.52	0.28	0.03	-	-	-	14.83
(ii) Others	793.26	87.54	0.54	-	-	-	881.34
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**807.78**	**87.82**	**0.57**	**-**	**-**	**-**	**896.17**

During the period ended March 31, 2025, there are no disputed trade payables.

20 Other financial liabilities

	March 31, 2025	March 31, 2024
Current		
Interest accrued but not due on borrowings	0.06	-
Payable related to purchase of fixed assets*	55.58	322.70
Accrued Salaries and Benefits	1.68	2.45
Bonus Payable	9.49	2.70
Accrued expenses	17.34	5.50
Security Deposits Received	0.36	0.14
Others	0.75	0.77
Total	**85.26**	**334.26**

* Includes payable to related party refer Note 33.

21 Other liabilities

	March 31, 2025	March 31, 2024
Non-current		
Unearned revenue	343.95	-
	343.95	**-**
Current		
Statutory dues	41.73	7.32
Unearned revenue	146.01	-
Total	**187.73**	**7.32**

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(All amounts in INR Million, unless otherwise stated)

22 **Revenue from contract with customers**	**March 31, 2025**	**March 31, 2024**
Sales of products		
Finished goods		
Domestic Sales	1,733.09	-
Export Sales	17.43	-
Total revenue from contract with customers	**1,750.51**	**-**

23 **Other operating revenue**	**March 31, 2025**	**March 31, 2024**
Sale of Scrap	1.12	0.19
Total Other operating revenue	1.12	0.19

24 **Other income**	**March 31, 2025**	**March 31, 2024**
Interest income on fixed deposits with bank	-	8.34
Interest income from financial assets at amortised cost	4.13	1.50
Interest income from income tax refund	0.07	-
Net Gain/(Loss) on financial instruments at fair value through profit or loss	-	1.06
Profit on sale of property, plant & equipment	-	0.05
Profit on sale of investments in Mutual Funds	3.14	0.27
Total	**7.34**	**11.22**

25 **Cost of raw materials and components consumed**	**March 31, 2025**	**March 31, 2024**
Opening stock of raw materials & components	5.36	-
Add : Purchases of raw materials & components	1,764.09	7.65
Less: Closing stock of raw materials & components	342.72	5.36
Total	**1,426.73**	**2.29**

26 **Changes in inventory of finished goods and work in progress**	**March 31, 2025**	**March 31, 2024**
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	0.03	-
Work-in-progress	2.54	-
Total (A)	2.57	-
Stock at the end of the year		
Finished goods	51.04	0.03
Work-in-progress	50.45	2.54
Total (B)	101.49	2.57
(Increase)/ decrease in stocks (A-B)	**(98.93)**	**(2.57)**

27 **Employee benefits expense**	**March 31, 2025**	**March 31, 2024**
Salary, wages & bonus	172.85	4.94
Contribution to provident and other funds (refer note 18)	7.46	0.45
Gratuity expense (refer note 18)	0.94	1.14
Leave encashment (refer note 18)	1.32	-
Staff welfare expenses	33.12	0.80
Total	**215.69**	**7.33**

28 **Depreciation and amortisation expense**	**March 31, 2025**	**March 31, 2024**
Depreciation on property, plant and equipment (refer note 3)	199.05	4.83
Amortisation on intangible assets (refer note 5)	3.45	0.16
Depreciation on right of use assets (refer note 4)	45.03	0.68
Total	**247.53**	**5.66**

29 **Finance costs**	**March 31, 2025**	**March 31, 2024**
Interest on loans from related parties* (refer note 33)	73.35	2.73
Corporate guarantee commission**	11.44	-
Interest on loans from banks	79.02	-
Bank charges	1.39	-
Interest and finance charges on Lease Liabilities	32.00	0.73
Total	**197.19**	**3.47**

* During the year, Company has capitalised interest amounting to INR 24.36 million in Property, plant and equipment and INR 4.90 million in Capital work in progress.
** During the year, Company has capitalised corporate guarantee commission amounting to INR 3.50 million in Property, plant and equipment and INR 49.12 million in Capital work in progress.

(All amounts in INR Million, unless otherwise stated)

30 Other expenses

	March 31, 2025	March 31, 2024
Consumption of stores and spare parts	69.87	0.44
Electricity, water and fuel	42.76	1.60
Housekeeping Expenses	25.16	0.15
Freight and Forwarding	19.37	0.01
Legal & professional expenses (refer note (a) below)	19.22	0.32
Hire charges and conveyance	17.77	-
Security charges	15.98	0.24
Rates & taxes	14.64	0.03
Software & IT Related Expenses	14.23	0.06
Insurance	12.18	0.07
Travelling expenses	9.90	0.13
Repairs & Maintenance		
Building	5.93	-
Plant & Machinery	1.47	-
Other	1.99	-
Amortisation cost of lease rent factory	5.07	2.54
Exchange fluctuation (net)*	3.18	1.26
Donation	0.03	-
Miscellaneous Expenses	23.66	1.17
Total	**302.40**	**8.33**

(a) Payment to auditors:

	March 31, 2025	March 31, 2024
As Auditor:		
Audit fees	1.50	0.23
Total	**1.50**	**0.23**

31 Income tax expense

	March 31, 2025	March 31, 2024
(a) Deferred tax (refer note 7)		
Increase in deferred tax assets	(130.33)	-
Increase in deferred tax liabilities	130.33	-
Total deferred tax expense / (credit)	**-**	**-**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	March 31, 2025	March 31, 2024
Profit/(loss) before tax	**(531.64)**	**(13.19)**
Tax rate	17%	17%
Tax as per Indian Tax Rate	91.23	(2.26)
Adjustments for tax of prior period	3.14	-
Other Adjustments	(94.37)	2.26
Income tax expense	**-**	**-**

32 Earnings/(Loss) per share

	March 31, 2025	March 31, 2025
a) Basic and diluted		
Net profit after tax available for equity shareholders	(531.64)	(13.19)
Weighted average number of equity shares of INR 10 each	218,273,973	100,000,000
Basic earnings (in INR) per share of INR 10 each	**(2.44)**	**(0.13)**

The Company does not have any potential equity shares, hence there is no diluted EPS.

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33 Related Party Disclosures

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

a. Ultimate holding Company
Samvardhana Motherson International Limited

b. Holding Company
Samvardhana Motherson Innovative Solution Limited

c. Fellow Subsidiaries with whom transactions have taken place
1. Motherson Technology Services Limited
2. Motherson Auto Solution Limited
3. Motherson Air Travels Agencies Limited
4. Samvardhana Motherson Global Carriers Limited
5. Motherson Automotive Technologies & Engineering
6. Motherson Global Manufacturing Services

d. Joint Ventures and Associates of holding Company (Including ultimate holding Company): with whom transactions have taken place
1. Marelli Motherson Automotive Lighting India Private Limited

e. Other related parties with whom transactions have taken place
1. Systematic Conscom Limited
2. Motherson Lease Solutions Limited
3. Nirvana Niche Products Private Limited

f. Directors of the Company
Mr. Rohitash Gupta (Resigned on October 26, 2024)
Mr. Rajesh Goel
Mr. Jitendra Mahajan (Resigned on October 26, 2024)
Mr. Vishal Kabadi
Mr. Lata Unnikrishnan
Mr. Sukant Gupta

g. Other Key Management Personnel of the Company
Mr. Prakash Katama, COO & Manager
Mr. Devinder Kansal, CFO
Ms. Shruti Bhardwaj CS (Appointed on April 15, 2024 and Resigned on November 25, 2024)
Mr. Shubham Arora CS (Appointed on December 16, 2024)

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(All amounts in INR Million, unless otherwise stated)

II. Details of Transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 29 (I) above

a. Transactions with related parties

S.No	Particulars	Relationship	Nature of Transactions	Transaction amount FY 24-25	Transaction amount FY 23-24	Classification as per financials	Amount Owed to related party FY 24-25	Amount Owed to related party FY 23-24
1	Marelli Motherson Automotive Lighting India Pvt Ltd	Joint Ventures of Holding Company	Legal & professional expenses	0.31	-	Trade Payable	-	-
			Travelling expenses	2.14	-			
2	Motherson Air Travel Agencies Limited	Fellow Subsidiary	Miscellaneous expenses	1.84	-	Trade Payable	0.72	2.28
			Travelling expenses	17.95	7.82			
3	Motherson Auto Solutions Limited	Fellow Subsidiary	Lease of land	2,163.56	-	Trade Payable	0.38	0.09
			Security deposit paid	-	71.99			
			Amortisation cost of lease rent	63.74	42.65			
			Repair & Maintenance - Building	10.12	7.84			
			Miscellaneous Expenses	5.45	-			
			Electricity, water and fuel	2.60	0.02			
4	Motherson Automotive Technologies & Engineering	Fellow Subsidiary	Purchase of Property, Plant and Equipment	5.54	-	Capital Creditor	2.05	-
			Software & IT Related Expenses	1.36	-	Trade Payable	0.39	
5	Motherson Global Manufacturing Services	Fellow Subsidiary	Purchase of Property, Plant and Equipment	0.46	-	Trade Payable	0.75	-
			Staff welfare expenses	0.17	-			
6	Motherson Lease Solution Limited	Other related party	Amortisation cost of lease rent	5.15	0.88	Trade Payable	-	0.87
			Security Deposit Paid	3.04	-			
7	Motherson Technology Services Limited	Fellow Subsidiary	Miscellaneous Expenses	1.04	-	Trade Payable	13.92	110.32
			Purchase of Property, Plant and Equipment	114.02	171.41			
			Software & IT Related Expenses	23.66	-			
			Legal & professional expenses	10.63	-			
8	Nirvana Niche Products Private Ltd	Other related party	Purchase of Property, Plant and Equipment	0.34	1.13	Trade Payable	-	0.05
9	Samvardhana Motherson Global Carriers Limited	Fellow Subsidiary	Freight and Forwarding	2.83	0.85	Trade Payable	0.41	0.83
10	Samvardhana Motherson Global Management Service	Division of Ultimate Holding Company	Insurance Expenses	0.26	-	Trade Payable	0.14	0.15
			Staff welfare expenses	0.02	-			
			Purchase of Property, Plant and Equipment	-	3.55			
11	Samvardhana Motherson International Ltd	Ultimate holding Company	Corporate Guarantee	14,000.00	-	Trade Payable	74.30	500.00
			Guarantee Commission	64.05	-			
			Employee benefits expenses	-	7.13			
12	Samvardhana Motherson Innovative Solutions Ltd	Holding Company	Investment in equity received	3,650.00	1,000.00	Trade Payable	-	1,000.00
			Rembursement of expenses	-	17.80			
13	Samvardhana Motherson Stamping And Assemblies	Division of Ultimate Holding Company	Sales of Capital Goods	-	1.12	Other Receivable	-	(0.94)
			Employee benefits expenses	-	4.42			
14	Systematic Conscom Limited	Other related party	Purchase of Property, Plant and Equipment	1,824.65	833.81	Capital Advance / Capital Creditor	(190.30)	35.67
15	Key Management Personnel	Key Management Personnel	Remuneration Paid	22.96	9.00	-	-	-

b. Loan from related parties

S.No	Loan from related parties	Relationship	Year ended	Loans received	Repayment	Interest paid	Amount owed
1	Samvardhana Motherson Innovative Solution Limited	Holding Company	31/03/2025	-	1,000.00	49.71	-
2			31/03/2024	1,000.00	-	40.08	1,000.00
3	Samvardhana Motherson International Limited	Ultimate holding Company	31/03/2025	1,170.00	1,670.00	47.15	-
4			31/03/2024	500.00	-	3.25	492.87
5	SMR Automotive Systems India Limited	Fellow Subsidiary	31/03/2025	1,800.00	-	5.75	1,800.00
6			31/03/2024	-	-	-	-

Note: Transactions with related parties during the year are based on the arms length. All other transactions were made on normal commercial terms and conditions and at market rates.

(All amounts in INR, unless otherwise stated)

34 Ratio Analysis and its elements

Key financial ratios for the period ended March 31, 2025 is as follows:

	For the period ended March 31, 2025	For the period March 15, 2023 to March 31, 2024	% change	Reason for variance (in case of variation of 25% or more from preceding year)
Current Ratios (in times) (Current Assets / Current Liabilities)	1.99	1.66	20%	
Debt- Equity Ratio (in times) [(Long term borrowing including current maturities + short term borrowing) / Shareholders equity]	1.44	1.55	-7%	
Debt Service Coverage ratio (in times) [(Earnings before interest, depreciation, dividend income, interest income, loss on sale of property,	(0.74)	(3.13)	-76%	
Return on Equity ratio (in %) (Net Profit after taxes / Average Shareholder's Equity)	-21.09%	-1.36%	1449%	
Inventory Turnover ratio (in times) (Cost of goods sold / Average inventories)	4.78	(0.10)	-4879%	
Trade Receivable Turnover Ratio (in times) (Revenue from contract with customers / Average trade receivables)	2.38	-	-	Refer note below
Trade Payable Turnover Ratio (in times) (Purchase of goods / Average trade payable)	3.78	0.38	894%	
Net Working Capital Turnover Ratio (in times) (Revenue from contract with customers / Average working capital)	2.19	-	-	
Net Profit ratio (in %) (Profit / (loss) for the period / Revenue from contract with customers)	-30.35%	-	-	
Return on Capital Employed (in %) (Earnings before interest expenses, dividend income, interest income and taxes / Average capital employed)	-5.67%	-1.71%	232%	

Note: The previous year number are not comparable as the current year is the first year of operation.

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(All amounts in INR Million, unless otherwise stated)

35 Contingent liabilities and Capital Commitments

(a) Contingent Liabilities

	March 31, 2025	March 31, 2024
Bank Guarantee*	726.67	-
Total	**726.67**	**-**

* During the year Motherson Electronic Components Private Limited issued Bank Guarantee, with Samvardhana Motherson Innovative Solutions Limited acting as a confirming party, in favor of BIEL Crystal Technology Manufactory Company for installation of assemble line in Vietnam which will be transferred to India.

(b) Capital commitments

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

	March 31, 2025	March 31, 2024
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed (net of advances of INR 308 million)	3,982.14	175.10
Total	**3,982.14**	**175.10**

36 Leases

The Company has entered into lease agreements for its manufacturing facilities and vehicles used in its operations. The leases for manufacturing facilities typically have terms of approximately 10 years, while vehicle leases generally range from 3 to 5 years. The Company's lease obligations are secured by the lessors' ownership of the leased assets. In all cases, the Company is prohibited from assigning or subleasing these assets.

The Company has leases contracts for office equipments such as printers and coffee machine, the period for which is 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The effective interest rate applied to lease liabilities is 9.5% for buildings and 12% for vehicles.

Following is the movement in lease liabilities during the year ended March 31, 2025

Particulars	Factory Building	Vehicles	Total
Balance as at April 1, 2024	340.39	4.02	**344.40**
Additions during the year	147.31	8.76	156.07
Deletions during the year	-	-	-
Interest expense on lease liabilities	39.84	1.13	40.98
Payment of lease liabilities	(63.74)	(3.51)	(67.25)
Balance as at March 31, 2025	**463.80**	**10.40**	**474.20**
Current	23.79	2.52	26.31
Non-current	440.01	7.88	447.89

Following is the movement in lease liabilities during the year ended March 31, 2024

Particulars	Factory Building	Vehicles	Total
Balance as at April 1, 2023	-	-	**-**
Additions during the year	349.84	4.44	354.28
Deletions during the year	-	-	-
Interest expense on lease liabilities	22.82	0.18	22.99
Payment of lease liabilities	(32.27)	(0.60)	(32.87)
Balance as at March 31, 2024	**340.39**	**4.02**	**344.40**
Current	11.83	0.91	12.75
Non-current	328.55	3.11	331.66

Following are the amount recognised in profit or loss:

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expense of right-of-use assets	45.03	0.73
Interest expense on lease liabilities	32.00	0.68
Rent expense - short-term leases (included in other expenses)	0.14	0.01
Total amounts recognised in profit or loss	**77.16**	**1.42**

Note 1: During the year, Company has capitalised interest amounting to INR 8.98 million in capital work in progress.
Note 2: During the year, Company has capitalised depreciation amounting to INR 28.24 million in capital work in progress.

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(All amounts in INR Million, unless otherwise stated)

37 Segment Information:

Description of segments and principal activities

The Company is primarily in the business of manufacturing electronic components.

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

A. Disaggregated revenue information

	For the period March 31, 2025	For the period March 31, 2024
i) Revenue from customers		
India	1,733.09	-
Outside India (based on location)	17.43	-
	1,750.51	**-**

ii) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiary and associate and deferred tax assets broken down by location of the assets, is shown below:

	March 31, 2025	March 31, 2024
India	8,791.22	2,552.22
Outside India	-	-
	8,791.22	**2,552.22**

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

	March 31, 2025	March 31, 2024
Customer 1	1,733.09	-
	1,733.09	**-**

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(All amounts in INR Million, unless otherwise stated)

38 Fair value measurements
Financial instruments by category

	Note	Carrying Value	March 31, 2025 FVTPL	FVOCI	Amortised Cost*
Financial assets					
Trade receivables	11	1,472.38	-	-	1,472.38
Cash and cash equivalents	12	0.46	-	-	0.46
Other financial assets	6	87.98	-	-	87.98
Total financial assets		**1,560.82**	**-**	**-**	**1,560.82**
Financial Liabilities					
Borrowings	15	5,399.77	-	-	5,399.77
Trade payables	19	896.17	-	-	896.17
Other financial liabilities	20	85.26	-	-	85.26
Total financial liabilities		**6,381.20**	**-**	**-**	**6,381.20**

	Note	Carrying	March 31, 2024 FVTPL	FVOCI	Amortised Cost*
Financial assets					
Trade receivables		-	-	-	-
Cash and cash equivalents	12	-	-	-	-
Other financial assets	8	42.06	-	-	42.06
Total financial assets		**42.06**	**-**	**-**	**42.06**
Financial Liabilities					
Borrowings	16(a)	1,500.00	-	-	1,500.00
Trade payables	19	37.51	-	-	37.51
Other financial liabilities	20	334.26	-	-	334.26
Total financial liabilities		**1,871.77**	**-**	**-**	**1,871.77**

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

i. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
a. the use of quoted market prices or dealer quotes for similar instruments.
b. the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.
c. the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
d. the fair value of the remaining financial instruments covered under level 3 is determined using discounted cash flow analysis.

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

	March 31, 2025 Carrying amount	Fair value	March 31, 2024 Carrying amount	Fair value
Financial Assets				
Loan to related party [1]	-	-	-	-
Other financial assets	-	-	-	-
	-	**-**	**-**	**-**
Financial liabilities				
Borrowings	5,241.26	5,241.26	-	-
Other financial liabilities	-	-	-	-
	5,241.26	**5,241.26**	**-**	**-**

[1] The fair value of non-current financial assets and financial liabilities carried at amortised cost is substantially same as their carrying amount.

Note: The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

39 (a) Financial risk management objectives and policies

The Company in its capacity as an active supplier for the electronic industry is exposed to various risks i.e., market risk, liquidity risk and credit risk.
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.
Below are the major risks which can impact the Company:

A Market risk:

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

a. Price risk:
Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company. The key raw materials for the Company's business is aluminium, steel and titanium. The Company has arrangements with major vendors for a long term agreement which gives the Company a leverage to source its materials at below spot prices.

b. Foreign currency risk:
The Company operates internationally and a major portion of the sales, raw material purchases, packing credit facilities and external commercial borrowings are transacted in USD. Other transactions such as sub contract charges, major portion of borrowings, travelling and other transactions in the ordinary course of business is made in INR. Consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and purchases are in US Dollars, whereas other transactions are largely made locally. The exchange rate between the Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Over the past years, rupee has depreciated against the USD. However, as the Company's earnings are in USD and purchase of raw materials is in USD, the Company is not adversely effected on account of foreign exchange as it is naturally hedged.
The unhedged foreign currency exposure is as follows:

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

	March 31, 2025 Payable / (Receivable)		March 31, 2024 Payable / (Receivable)	
	Amount in Foreign currency in million	**Amount in INR in million**	**Amount in Foreign currency in million**	**Amount in INR in million**
USD - Payable	8.16	697.98	2.10	175.28

Foreign currency sensitivity on unhedged exposure
1% increase / decrease in foreign exchange rates will have the following impact on profit before tax:

	Impact on profit before tax	
	March 31, 2025	**March 31, 2024**
USD		
Increase by 1% in forex rate	(6.98)	(1.75)
Decrease by 1% in forex rate	6.98	1.75

(ii) Mark to market losses / (gain) on cross currency swaps

	For the year ended	
	March 31, 2025	**March 15, 2023 to March 31, 2024**
Mark to Market losses/(gain) on cross currency swaps	-	-

c. Interest rate risk:
Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2025, the Company's borrowings at variable rate were mainly denominated in INR.

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

	March 31, 2025	**March 31, 2024**
Variable rate borrowings	5,241.26	1,500.00
Fixed rate borrowings	-	-
Total borrowings	**5,241.26**	**1,500.00**

An analysis by maturities is provided in Note [C (ii)] Maturities of financial liabilities below.

(ii) Sensitivity analysis
For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	Impact on profit before tax	
	March 31, 2025	**March 31, 2024**
Interest rates-increase by 50 basis points*	(26.21)	(7.50)
Interest rates-decrease by 50 basis points*	26.21	7.50

** Holding all other variables constant*

(All amounts in INR Million, unless otherwise stated)

B Credit risk:

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

Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company’s primary customers are major Tier I and Tier II companies in Aerospace Industry with good credit ratings. The adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

Financial instruments and cash deposits

The Company has deposited funds at two major banking institutions with high credit ratings assigned by international and domestic credit rating agencies. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

C Liquidity risk:

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

(ii) Maturities of financial liabilities

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

For the period ended March 31, 2025	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Long Term Borrowings (including current	49.96	5,241.26	-	**5,291.22**
Short Term Borrowings	8.55	-	-	**8.55**
Lease Liability	82.51	196.13	195.56	**474.20**
Trade payables	896.17	-	-	**896.17**
Other financial liabilities	85.26	-	-	**85.26**
Total non-derivative liabilities	**1,122.45**	**5,437.39**	**195.56**	**6,755.39**

For the period ended March 31, 2024	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Long Term Borrowings (including current	-	1,500.00	-	**-**
Short Term Borrowings	-	-	-	**-**
Trade payables	37.51	-	-	**-**
Other financial liabilities	334.26	-	-	**-**
Total non-derivative liabilities	**371.77**	**1,500.00**	**-**	**-**

40 Capital management

(a) Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBITDA ratio i.e. Net debt (total borrowings (including lease liabilities) net of cash and cash equivalents) divided by EBITDA (Earnings before interest, depreciation, dividend income, interest income and exceptional items).

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2025	March 31, 2024
Net Debt	5,399.31	1,445.89
EBITDA	(91.05)	(3.97)
Net Debt to EBITDA	**(59.30)**	**(364.09)**

Note: The entity commenced its operations during the current year. As a result, it has incurred initial setup and operating expenses, leading to a negative EBITDA for the period.

(b) Loan covenants

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

(All amounts in INR Million, unless otherwise stated)

41 Dues to micro, small and medium enterprises

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

	March 31, 2025	March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	14.83	0.38
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.01	0.01
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	0.01	-

42 Other Statutory Information

i) There are no proceedings that have been initiated or pending against the Company for holding any Benami property under the Benami Transactions
(ii) There are no transactions with companies that are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 2013.
(iii) The Company has not obtained any borrowings which require registration of charge or satisfaction of charge with the ROC.
(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the
(a) 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)
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(i) There are no proceedings that have been initiated or pending against the Company for holding any Benami property under the Benami Transactions
(ii) There are no transactions with companies that are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 2013.
(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the
(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during
(viii) The Company has not been declared as wilful defaulter by any bank or financial institutions or any other lender.
(ix) The Company has not revalued its Property, Plant and equipment (including Right-of-Use Assets) and intangible assets during the year.
(x) The Company does not own any immovable property.

43 Previous year's figures have been regrouped/reclassified, wherever necessary, in order to conform to current year's classification. Such reclassification did not have any material impact on the current year financial statements.

44 The figures for the previous year are not comparable, as they pertain to the period from 15th March 2023 to 31st March 2024.

45 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is enabled at the database level from 10th February 2025. Further there was no instance of audit trail feature being tampered with respect to the accounting software. Additionally, the Company has preserved the audit trail of relevant prior year as per the statutory requirements.

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

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Nikhil Gupta
Digitally signed by Nikhil Gupta
DN: cn=Nikhil Gupta, o=Personal, email=nikhil.gupta@srb.in
Location: Gurugram
Date: 2025.05.27 22:38:52 +05'30'

per Nikhil Gupta
Partner
Membership No. : 517577
Place: Gurugram
Date: 27.05.2025

For and on behalf of the Board of Directors
Motherson Electronic Components Private Limited

VISHAL SWARUPSHYAM KABADI
Digitally signed by VISHAL SWARUPSHYAM KABADI
Date: 2025.05.27 21:53:22 +05'30'

Vishal Swarupshyam Kabadi
Director
DIN : 07562946

SUKANT GUPTA
Digitally signed by SUKANT GUPTA
Date: 2025.05.27 21:56:09 +05'30'

Sukant Gupta
Director
DIN: 10355472

PRAKASH KATAMA
Digitally signed by PRAKASH KATAMA
Date: 2025.05.27 21:58:59 +05'30'

Prakash Katama
Chief Operating Officer & Manager
PAN : ARGPK1228H

DEVINDER KANSAL
Digitally signed by DEVINDER KANSAL
Date: 2025.05.27 21:49:10+05'30'

Devinder Kansal
Chief Financial Officer
PAN : AFMPK5342Q

SHUBHAM ARORA
Digitally signed by SHUBHAM ARORA
Date: 2025.05.27 22:01:58 +05'30'

Shubham Arora
Company Secretary
ACS : 63087
Place: Noida
Date: 27.05.2025