

Motherson Groups Investments USA Inc

Financial Statements

2024-25

Motherson Groups Investments USA Inc

	Notes	AS At March 31,2025	AS At March 31,2024
ASSETS			
Non-current assets			
Property, plant and equipment	1(a)	20,309,241	21,019,355
Land		696,600	696,600
Deferred tax asset	2	529,698	210,576
Investment	4	100,000	100,000
Total Non-current assets		21,635,539	22,026,531
Current assets			
Financial assets			
i. Cash and cash equivalents	3	1,436,767.07	964,673
ii. Other current financial assets			
iii, Other current assets	4	373,082.32	183,333
Total Current assets		1,809,849	1,148,006
Total assets		23,445,388	23,174,537
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	10	10
Share application money pending for allotments			
Other equity			
Reserves and surplus	6	(102,772)	(107,407)
Total equity		(102,762)	(107,397)
Liabilities			
Non Current liabilities			
Long term borrowings			
Intercompany loans	7	22,199,990	22,199,990
Financial Liabilities			
i. Long term lease liabilities			
		-	-
Total non current liabilities		22,199,990	22,199,990
Current liabilities			
Financial Liabilities			
i. Lease liabilities - Current		-	-
ii. Borrowings			
Other current liabilities	8	1,341,045	1,081,944
Short term provision		7,115	-
Total current liabilities		1,348,160	1,081,944
Total equity and liabilities		23,445,388	23,174,537
		(0)	0

Motherson Groups Investments USA Inc

	Notes	For the year ended March 31,2025	For the year ended March 31,2024
Revenue			
Lease income		2,209,621.00	861,666
Total income		2,209,621	861,666
Expenses			
Employee benefit expense			
Depreciation and amortisation expense	9	710,113.33	284,045
Depreciation and amortisation expense FRS 116			
Finance costs	10	1,478,797.50	595,571
Other expenses	11	5,775.00	125,326
Total expenses		2,194,686	1,004,942
Profit before tax		14,935	(143,276)
Tax expenses	12	10,301	(35,869)
Profit for the year		4,634	(107,407)
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		4,634	(107,407)
Summary of significant accounting policies			

(All amounts in USD, unless otherwise stated)

1(a) Property, plant and equipment

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Total	Capital work in progress
Year ended March 31, 2024						
Gross carrying amount						
As at April 01, 2023					-	
Additions	696,600	21,303,400			22,000,000	
Transfers	-				-	
At March 31, 2024	696,600	21,303,400	-	-	22,000,000	-
Accumulated depreciation						
As at April 01, 2023	-				-	-
Depreciation charge during the year	-	284,045			284,045	-
At March 31, 2024	-	284,045	-	-	284,045	-
Net carrying amount as on March 31, 2024	696,600	21,019,355	-	-	21,715,955	-
Year ended March 31, 2025						
Gross carrying amount						
As at April 01, 2024	696,600	21,303,400	-	-	22,000,000	-
Additions	-				-	
Transfers	-				-	
At March 31, 2025	696,600	21,303,400	-	-	22,000,000	-
Accumulated depreciation						
As at April 01, 2024	-	284,045	-	-	284,045	-
Depreciation charge during the year	-	710,114			710,114	-
At March 31, 2025	-	994,159	-	-	994,159	-
Net carrying amount as on March 31, 2025	696,600	20,309,241	-	-	21,005,841	-

(All amounts in USD, unless otherwise stated)

2		Deferred tax assets (net)	
		March 31, 2025	March 31, 2024
Deferred tax assets			
Unabsorbed depreciation and tax losses		(11,799)	
Interest limitation		509,312	
Accrued expenses			
Others		32,185	210,576
Total		529,698	210,575

2024-25

Movement in deferred tax assets

-	-	-
---	---	---

3		Cash and cash equivalents	
		March 31, 2025	March 31, 2024
Balance with banks - in current accounts		1,436,767	964,673
Total		1,436,767	964,673

Change in liabilities arising from financing activities

April 01, 2024	Cash Flow	Non cash items*	March 31, 2025
22,199,990			22,199,990
22,199,990	-	-	22,199,990

Loan from related parties

Lease liabilities

Total liabilities from financing activities**Change in liabilities arising from financing activities**

April 01, 2023	Cash Flow	Non cash items*	March 31, 2024
22,199,990			22,199,990
22,199,990	-	-	22,199,990

Loan from related parties

Lease liabilities

Total liabilities from financing activities

* Non cash items includes new leases taken or termination of lease contracts in case of lease liabilities and capitalisation of borrowing into additional paid up capital in case of loan from related parties.

4		Other assets	
		March 31, 2025	March 31, 2024
Non-Current			
Preferential Bonds Sahara AI Ltd.		100,000	100,000
Total		100,000	100,000

Current

Receivables from related parties

Others

Total

March 31, 2025	March 31, 2024
373,082	183,333
-	-
373,082	183,333

5		Equity share capital	
		March 31, 2025	March 31, 2024
Authorised			
Equity share of par value USD 0.001 each, fully paid		10	10
		10	10

Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of USD 0.001 per share. Each holder of equity is entitled to one vote per share held. 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.

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

Name of the shareholder	March 31, 2025		March 31, 2024	
	No. of shares	%	No. of shares	%
Equity share of par value USD 0.001 each, fully paid				
MSSL (GB) Ltd.	1,000	100%	1,000	100%
(Holding Company)				

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.

6		Other Equity	
		March 31, 2025	March 31, 2024
Retained earnings			
Opening balance		(107,407)	
Additions during the year		4,635	(107,407)
Closing balance		(102,772)	(107,407)

7		Intercompany Loans	
		March 31, 2025	March 31, 2024
Non-current			
Loan from related parties		22,199,990	22,199,990
Less:-Disclosed under other current financial liabilities		-	
Secured Loan from third parties		-	
Total		22,199,990	22,199,990

- (i) Loans from related parties represents unsecured loans amounting to:
 - a) USD 22,199,900 from MSSL (GB) Ltd. at an interest rate of 6.57% p.a.
- (ii) The borrowings do not carry any financial covenants.

8 Other Current Liabilities

Current
 Interest payable to related party
Total

March 31, 2025	March 31, 2024
1,341,045	1,081,944
1,341,045	1,081,944

Notes to the Special Purpose Financial Statements

(All amounts in USD, unless otherwise stated)

	For the year ended	
	March 31, 2025	March 31, 2024
9 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	710,113	284,045
Total	710,113	284,045
10 Finance costs		
Interest on related parties borrowings	1,478,798	595,571
Other finance cost		
Total	1,478,798	595,571
11 Other expenses		
Legal & professional fees	5,775	
Miscellaneous expenses		125,326
Total	5,775	125,326

<This space has been intentionally left blank>

	For the year ended	
	March 31, 2025	March 31, 2024
12 Income tax expense		
a. Income tax expense		
Current tax		
Current income tax	331,760	174,707
Total current tax expense/ (income)	331,760	174,707
Deferred tax		
Decrease/ (increase) in deferred tax assets (net)	(321,460)	(210,576)
Total deferred tax expense/ (benefit)	(321,460)	(210,576)
Income tax expense/ (income)	10,301	(35,869)

The Company files its own separate U.S. corporate federal and state income tax returns and has not elected to become an affiliate member of any consolidated U.S. tax return. The Company is a U.S. component member of a controlled group for U.S. tax purposes, which includes amongst others, SMR Automotive Vision System Operations USA Inc., Motherson Lumen North America INC., Motherson Yachiyo Automotive Tech Products of America, Inc., Motherson DRSC Modules USA Inc., MSSL Consolidated Inc., Motherson SAS Automotive Services USA Inc., PKC Group USA Inc., Motherson Technology Services USA Limited, and SMI Consulting Technologies Inc.

Deferred income taxes are calculated using the balance-sheet based liability method. Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount of an asset or liability and the values used for taxation purposes. Deferred tax assets are also recognised for tax-loss carry forwards to the extent it is probable that future taxable profits will be available. For this reason, the recognition of all deferred tax assets based on tax losses is carried out with suitable consideration given to their realisation. Deferred taxes are determined on the basis of tax rates that have been enacted or substantially enacted by the end of the reporting period.

Reconciliation of tax expense and the accounting profit multiplied by tax rate

For the year ended

b.
DS

SG

Notes to the Special Purpose Financial Statements

(All amounts in USD, unless otherwise stated)

	March 31, 2025	March 31, 2024
Profit before tax from continuing operations	(11,987)	(33,169)
Adjustments for current tax of prior periods	-	-
Current tax expense	(11,987)	(33,169)
Development and reversal of temporary differences	(1,528)	802
LCF capitalized	(28,500)	8,356
Effect of reported tax losses		
Others	-	(9,158)
Deferred tax expense/(credit)	(30,028)	-
Income tax expense	(42,016)	(33,169)

This statement enables the expected tax expense to be reconciled with the effective tax expense reported.

	For the year ended	
	March 31, 2025	March 31, 2024
Reconciliation of the effective tax rate		
Profit / (Loss) before tax	14,935	(143,276)
	21%	21%
Tax at rate of 21%	3,136	(30,088)
Recognition and utilisation of previously unrecognised tax		
Prior period adjustments		
Tax effect of amounts which are not deductible in calculating taxable income		
Temporary effects (R&D)		
BEAT Tax		
Effect of tax credits		
Other adjustments	7,165	(5,781)
Income tax expense/ (credit)	10,301	(35,869)

<This space has been intentionally left blank>

Notes to the Special Purpose Financial Statements

(All amounts in USD, unless otherwise stated)

13 Earnings per share

	March 31, 2025	March 31, 2024
a) Basic		
Net profit after tax available for equity shareholders	4,634	(107,407)
Equity shares outstanding at the beginning of the year	1,000	1,000
Weighted average number of equity shares used to compute basic earnings per share	1,000	1,000
Basic earnings (in USD) per share of USD 0.001 each.	5	(107)
b) Diluted (Refer note (i) below)		
Net profit after tax available for equity shareholders	4,634	(107,407)
Weighted average number of equity shares of USD 0.001 each	1,000	1,000
(i) The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.		
(ii) The Company has not considered additional paid in capital in calculation of earning per share as no shares were issued by the Company. There is no impact on the ownership of the Company as 100% of the issued shares are held by the Holding Company itself.		

15 Fair value measurement

The following table shows the carrying amounts of the Company's financial instruments

	March 31, 2025	March 31, 2024
FINANCIAL ASSETS		
Financial assets at amortised cost		
Trade receivables		
Other financial assets	373,082	183,333
Cash and cash equivalents	1,436,767	964,673
FINANCIAL LIABILITIES		
Financial Liabilities at amortised cost		
Borrowings:		
Loan from related parties	22,199,990	22,199,990
Finance lease liabilities	-	
Trade payables		
Other financial liabilities	1,341,045	1,081,944

The fair values of non-current financial assets and liabilities are not significantly different from their carrying amounts.

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, trade payables and other receivables and liabilities, their fair values are equal to their carrying amounts.

A description of the Company's financial instrument risks, including risk management objectives and policies is given in note 34.

16 Contingent liabilities

The Company is engaged in various legal proceedings and other matters in the normal course of business.

The Company assesses its exposure to loss contingencies and provides for an exposure if it is judged to be probable and estimable.

Although the outcome of litigation is always subject to uncertainties, management believes the likelihood is remote that these matters will have any material adverse effect on the results of operations or financial position of the Company.

17 Capital management

Notes to the Special Purpose Financial Statements

(All amounts in USD, unless otherwise stated)

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 and benefits for 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: Net debt (total borrowings including lease liabilities net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance cost plus exceptional expense less interest income).

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:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Net Debt	20,763,223	21,235,317
EBITDA	2,203,846	736,340
Net Debt to EBITDA	9.42	28.84

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

18 Financial risk management

A. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables, foreign exchange transactions and other financial instruments.

B. 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. 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.

The following table shows the remaining contractual maturities of financial liabilities of the Company presented on a gross and undiscounted basis:

	March 31, 2025			
	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-Derivative financial liabilities				
Borrowings*	-	22,199,990	-	22,199,990
Lease liabilities	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	1,341,045	-	-	1,341,045
Total	1,341,045	22,199,990	-	23,541,035

* Accrued interest as of March 31, 2025 is included in other financial liabilities

	March 31, 2024			
	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-Derivative financial liabilities				
Borrowings*		22,199,990		22,199,990
Lease liabilities				-
Trade payables				-
Other financial liabilities	1,081,944			1,081,944
Total	1,081,944	22,199,990	-	23,281,934

* Accrued interest as of March 31, 2024 is included in other financial liabilities

C. Market risk

Market risk is the risk that the fair value of future cashflows of a financial instruments will fluctuate because of changes in market price/ rate. Market risk comprises one type of risk: interest rate risk.

a. 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 exposure to changes in interest rates arise from borrowings and is relatively low as a borrowings comprises of loans from related parties.