

**MOTHERSON EGTRONICS ELECTRONICS
SOLUTIONS LIMITED
AUDITED FINANCIAL STATEMENT
FOR THE FY ENDED 31.03.2026**

INDEPENDENT AUDITOR'S REPORT

To the Members of
Motherson Egtronics Electronics Solutions Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Motherson Egtronics Electronics Solutions Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Matter

The Company has been incorporated during the year and, accordingly, the financial statements for the year ended March 31, 2026 are the first financial statements of the Company. Therefore, no comparative figures for the previous year are available.



R.N. MARWAH & CO. LLP

Chartered Accountants

Other Information or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002
813, Oxford Towers, 139, Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063
D-362, Near MIA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001



R.N. MARWAH & CO. LLP

Chartered Accountants

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit. We give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002
813, Oxford Towers, 139, Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063
D-362, Near MIA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001



R.N. MARWAH & CO. LLP

Chartered Accountants

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
- (g) In our opinion, managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There is no amount which are required to be transferred to Investor Education and Protection Fund by the company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002
813, Oxford Towers, 139, Airport Road, Bangalore- 560 008
AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063
D-362, Near MIA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001

R.N. MARWAH & CO. LLP

Chartered Accountants

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

v. (a) The Company was incorporated during the year and, accordingly, no dividend was proposed in the previous year; hence, no final dividend has been paid during the year.

(b) The Company has not paid any interim dividend declared and paid by the company during the year.

(c) The Board of Directors of the Company has not proposed any final dividend for the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31,2026 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Since this is the first year of incorporation, the requirement relating to statutory record-retention is not applicable.

For **R.N. Marwah & Co. LLP**

Chartered Accountants

(Firm's Registration No. 001211N/N500019)



Manoj Gupta

Partner

(Membership No. 096776)

UDIN: 26096776JSCJTW9699

Place: New Delhi

Date: 27/04/2026

Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002

813, Oxford Towers, 139, Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063

D-362, Near MIA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001

R.N. MARWAH & CO. LLP

Chartered Accountants

Head Office:

4/80, Janpath, New Delhi-110001

PHONE : 91-11-43192000-100

FAX : 91-11-43192021

E-MAIL : rnm@rnm.in

Website : www.rnm.in

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Motherson Egtronics Electronics Solutions Limited

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

- (i)
- a. 1). The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - 2). The Company does not have any intangible assets during the year. Accordingly, the reporting requirements of this clause are not applicable to the Company.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, certain property, plant and equipment were verified during the year on 31st March, 2026. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property; Accordingly, this clause 3(i)(c) of order is not applicable to the Company.
 - d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
 - e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- a. In our opinion, the frequency of verification of inventory is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002
813, Oxford Towers, 139 ,Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063
D-362, Near MLA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001



R.N. MARWAH & CO. LLP

Chartered Accountants

- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii)
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- b. According to the information and explanations given to us, there is no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix)
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from the banks or financial institutions during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the company.



R.N. MARWAH & CO. LLP

Chartered Accountants

- b. According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c. In our opinion and according to the information and explanations given to us by the management, the company has not obtained any term loan during the year. Accordingly, the reporting requirements of clause 3(ix)(c) of the Order is not applicable to the company.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).
- (x)
- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the period. In respect of preferential allotment of equity shares made during the period, the Company has duly complied with the requirements of section 42 and section 62 of the Companies Act, 2013. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.
- (xi)
- a. Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. Based on the information and explanations provided to us, the Company is not required to have a vigil mechanism as per Companies Act, 2013. As represented by management to us, there is no whistle blower complaints received by the Company during the year.



R.N. MARWAH & CO. LLP

Chartered Accountants

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per section 138 of the Companies Act, 2013. Accordingly, reporting under the clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
 - The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
 - The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
 - There is no Core Investment Company as a part of the Group, hence, the requirement to report the clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses during the current financial year. Since this is the first year of incorporation, there were no cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance

Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002
813, Oxford Towers, 139, Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063
D-362, Near MLA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001



R.N. MARWAH & CO. LLP

Chartered Accountants

sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **R.N. Marwah & Co. LLP**

Chartered Accountants

(Firm's Registration No. 001211N/N500019)



Manoj Gupta

Partner

(Membership No. 096776)

UDIN: 26096776JSCJTW9699

Place: New Delhi

Date: 27/04/2026

Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002

813, Oxford Towers, 139, Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063

D-362, Near MLA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001

R.N. MARWAH & CO. LLP
Chartered Accountants

Head Office:

4/80, Janpath, New Delhi-110001

PHONE : 91-11-43192000-100

FAX : 91-11-43192021

E-MAIL : rnm@rnm.in

Website : www.rnm.in

Annexure-B

Annexure to the Independent Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

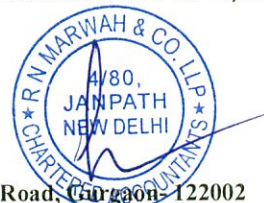
We have audited the internal financial controls over financial reporting of Motherson Egtronics Electronics Solutions Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002
813, Oxford Towers, 139, Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063
D-362, Near MLA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001

R.N. MARWAH & CO. LLP

Chartered Accountants

sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **R.N. Marwah & Co. LLP**

Chartered Accountants

(Firm's Registration No. 001211N/N500019)



Manoj Gupta

Partner

(Membership No. 096776)

UDIN: 26096776JSCJTW9699

Place: New Delhi

Date: 27/04/2026

Branch Office: 613, Suncity Business Tower, Golf Course Road, Gurgaon- 122002

813, Oxford Towers, 139, Airport Road, Bangalore- 560 008

AWFIS 5th Floor, Raheja Titanium, Cabin 5, Ram Nagar, Goregaon, Mumbai, Maharashtra – 400063

D-362, Near MLA Rest House, Tagore Nagar, Raipur, Chhattisgarh - 492001

Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
(All amounts in INR thousands, unless otherwise stated)
Balance Sheet as at March 31, 2026

Particulars	Note	As at March 31, 2026
ASSETS		
Non-current assets		
Property, plant and equipment	3	11,908
Non-current tax assets (net)	4	1,258
Total non-current assets		13,166
Current assets		
Inventories	5	42,915
Financial assets		
i. Trade receivables	6	46,890
ii. Cash and cash equivalents	7	24,305
iii. Bank balances other than (ii) above	8	92,550
iv. Loans and advances	9	4
v. Others	10	777
Other current assets	11	8,959
Total current assets		2,16,400
Total assets		2,29,566
EQUITY AND LIABILITIES		
Equity		
Equity share capital	12	1,70,000
Other equity	13	2,461
Total equity		1,72,461
Liabilities		
Non current liabilities		
Provisions for Employee Benefits	14	61
Deferred tax liabilities (net)	25	93
Total non-current liabilities		154
Current liabilities		
Financial Liabilities		
ii. Trade payables	15	
-Total outstanding dues of micro and small enterprises		951
-Total outstanding dues of creditors other than micro and small enterprises		50,465
iii. Other financial liabilities	16	250
Other current liabilities	17	5,285
Total current liabilities		56,951
Total liabilities		57,105
Total equity and liabilities		2,29,566
Summary of material accounting policies	2	
The accompanying notes are an integral part of these financial statements	3-39	

As per our report of even date

For R.N. Marwah & Co. LLP
Chartered Accountants

REG. NO. 001211/N/201500019



Membership No. 096776

Place: Noida
Date: 27/04/2026

For and on behalf of the Board of Directors of
Motherson Egtronics Electronics Solutions Limited

Hyuk IL Kwon
Whole Time Director
DIN: 11356954

Place :Noida
Date: 27/04/2026

Sanjeev Mathur
Director
DIN: 01092028

Place :Noida
Date: 27/04/2026



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
 (All amounts in INR thousands, unless otherwise stated)
Statement of Profit and Loss for the For the period Aug 22, 2025 to March 31, 2026

Particulars	Note	For the period August 22, 2025 to March 31, 2026
Revenue		
Revenue from Operations	18	39,737
Other Income	19	730
Total Income		40,467
Expenses		
Cost of materials consumed	20	31,481
Purchases of Stock-in-trade		
Changes in inventories of finished goods, work-in-progress and stock in trade	21	(10,658)
Employee benefit expense	22	8,058
Depreciation and amortization expense	23	365
Other expenses	24	5,628
Total expenses		34,874
Profit / (loss) before tax		5,593
Tax expense	25	
1) Current tax		1,315
2) Deferred tax		93
3) Short/(excess) for earlier periods		
Total Tax expense		1,408
Profit/(Loss) for the year		4,185
Items that will not be reclassified to profit or loss		
Gain/(loss) on remeasurements of post-employment benefit obligations		
Other Comprehensive (Income)/loss for the year, net of tax		-
Total Comprehensive Income/(loss) for the year		4,185
Earnings per share (absolute figures)	26	
Nominal value per share : INR 10		
Basic & Dilutive earning per share (In Rupees)		0.65
Summary of material accounting policies	2	
The accompanying notes are an integral part of these financial statements	3-39	

As per our report of even date

For **R.N. Marwah & Co. LLP**
 Chartered Accountants
 FRN 001201N/M500019
JANPATH
Manoj Gupta
 Partner
 Membership No. 096776

Place: Noida
 Date: 27/04/2026

For and on behalf of the Board of Directors of
Motherson Egtronics Electronics Solutions Limited

Hyuk IL Kwon
 Whole time Director
 DIN: 11356954

Place: Noida
 Date: 27/04/2026

Sanjeev Mathur
 Director
 DIN: 01092028

Place: Noida
 Date: 27/04/2026



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
(All amounts in INR thousands, unless otherwise stated)
Cash Flow Statement for the For the period August 22, 2025 to March 31, 2026

	For the period August 22, 2025 to March 31, 2026
A. Operating activities:	
Profit/ (loss) before tax	5,593
Adjustments for:	
Depreciation	365
Interest income on Fixed Deposits	(730)
Provision for gratuity	61
Operating profit before working capital changes	5,289
Change in working capital:	
Increase/(Decrease) in trade receivables	(46,890)
Increase/(Decrease) in Inventory	(42,915)
Increase/ (decrease) in other current assets	(8,959)
Increase/ (decrease) in other current financial assets	(777)
Increase/ (decrease) in loan & advances	(4)
Increase/(Decrease) in trade payables	51,416
Increase/ (decrease) in other current financial liability	250
Increase/(Decrease) in other current liability	5,285
(Increase)/ decrease in other non-current assets	
Cash generated from operations	(37,304)
Income Taxes paid (Net of refunds)	(2,573)
Net cash generated from operations	(39,877)
B. Investing activities:	
Purchase of fixed assets	(12,273)
Interest income on Fixed Deposits	730
Net cash used in investing activities	(11,543)
C. Financing activities:	
Proceeds from issues of shares	
Share Capital	1,70,000
Registration fee paid for share capital	(1,724)
Net cash (used in)/ from financing activities	1,68,276
Net increase/ (decrease) in cash & cash equivalents	1,16,855
Net cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents as at the end of the year	1,16,855
Cash and cash equivalents comprise of the following	
Balances with banks in deposits	92,550
Balances with banks in current accounts	24,305
D Cash and cash equivalents as per Balance Sheet	1,16,855

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows" notified under section 133 of Companies Act, 2013.
- Figures in brackets indicate cash outflow.
- The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **R.N.Murwah & Co. LLP**
Chartered Accountants
FRN 001211NN500019



For and on behalf of the Board of Directors of
Motherson Egtronics Electronics Solutions Limited

Hyuk IL Kwon
Whole Time Director
DIN: 11356954

Place: Noida
Date: 27/04/2026

Sanjeev Mathur
Director
DIN: 01092028

Place: Noida
Date: 27/04/2026



1. Corporate Information

Motherson Egtronics Electronics Solutions Limited was incorporated in India on August 22, 2025. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. These are company's separate financial statements.

The company engaged in manufacturing, designing, developing manufacturing and assembly of clean mobility related vehicle electronics, the product portfolio includes but not limited to DC-DC converters, auxiliary inverters, traction inverters, on-board chargers, power distribution units or a combination of the above for application in automobile and other industries.

2.

2.1 Summary of material accounting policies

(a) Basis of preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 "the Act" Companies (Indian Accounting Standards) Rules, 2015 (as amended time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

The Financial Year ending 31st March 2026 is the first period of operations of the company and so there is no comparative financial statements year ending 31st March 2025.

The financial statements are presented in INR Thousands and have been rounded off to two (2) decimal points, unless otherwise stated.

The Company has prepared the financial statement on the basis that it will continue to operate as a going concern.

New and amended IND-AS adopted by the Company:

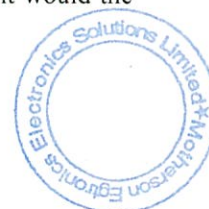
1. Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

2. Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification



In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

3. Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

4. International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) Historical Cost Convention

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

(b) Segment reporting

The managerial personnel review the operations of the Company as a single operating segment and therefore, there are no reportable segments.

(c) Statement of Cash flows

Cash Flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flow from operating, investing and financing activities of the Company are segregated.

(d) Property, Plant and Equipment (Including Capital Work In Progress)



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

i. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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.

Freehold land is carried at historical cost less accumulated impairment losses, if any. All other items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises of purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates and any other directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital Work-in-progress includes expenditure incurred till the assets are put into intended use. Capital Work-in-Progress are measured at cost less accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items 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. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation on property, plant and equipment has been provided on the straight-line method on the basis of estimated useful life determined based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation methods and useful lives

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

Assets	Useful life (Years)
Building	30
Plant & equipment	7.5
Vehicles	4
Office equipment	5
Computers	3
Furniture & fixtures	6

In case an asset is transferred between Group entities, depreciation is provided by the transferee company based on the remaining useful life of the asset, as determined at the Group level. The carrying amount of the asset and its remaining useful life as on the date of transfer are considered for the purpose of computing depreciation in the books of the transferee entity.

The economic useful life of certain assets has been determined based on a 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.

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



de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

(e) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Assets	Useful life
Computer software	3 years
Project development costs	As per Project Life

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

(f) Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

- 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.

(g) Foreign currency translation

(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 recognised in Statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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).

(h) Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

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



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

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

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

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

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

Sale of goods

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

Sale of services

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

Tooling Revenue

The Company develops various tools for its customers. The Company recognises revenue at the point in time when control of the tool is transferred to the customer.

Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component; as it expects at contract inception that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be less than one year. No significant element of financing is deemed present as the sales are made with a credit term of 7 days to 90 days, which is consistent with market practice.

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (h) Provisions and contingent liabilities.

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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 recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.



The Company has applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has recognized such cost as an expense when incurred if the amortization period of the asset is one year or less.

(i) 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 EIR, 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.

Interest income is generally recognized on an **accrual basis**. The income is included in the Statement of Profit and Loss under the head "**Other Income**" when it is probable that the economic benefits will flow to the Company and the amount of income can be reliably measured.

Dividend

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

Government Incentives:

Income from Government incentives is recognised on an accrual basis.

Export benefits:

Income from duty drawback and other export incentives is recognised on an accrual basis.

(j) Trade Receivables

Trade Receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables of the Company, are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(k) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to the purchase of property, plant and equipment are presented in the balance sheet by deducting it from the assets carrying amount.

Government grants related to income are those not relating to the purchase of property, plant and equipment. They are presented in profit or loss, either separately or under a general heading like Other Income, or deducted when reporting related expenses.



(l) Inventories

Inventories are valued at lower of cost and Net realisable value.

Cost incurred in bringing each product to its present location and conditions are accounted for as follows:

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 latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average 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.

(m) Income tax

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

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

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

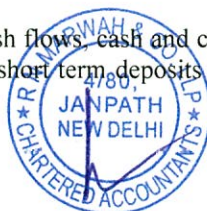
Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

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.

(n) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank, investments in mutual funds and other short term deposits held at call with financial institutions,



other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Borrowings

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

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

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(p) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

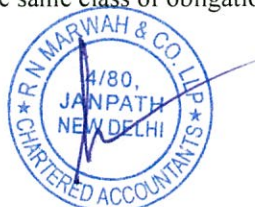
Other borrowing costs are expensed in the period in which they are incurred.

(q) Provisions and Contingent Liabilities

i) 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.



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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.

ii) Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

iii) 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.

iv) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(r) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year



(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(u) 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 section (h) 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.

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 in market.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified and measured at :

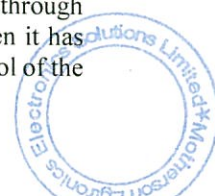
- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

De-recognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) 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.
- c) Loan commitments which are not measured as at FVTPL
- d) Financial guarantee contracts which are not measured as at FVTPL

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'Other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- (a) Financial assets measured at amortised cost, contractual revenue 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.
- (b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

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.



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

(v) Leases

(i) 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 for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

(ii) Company as a lessee

At the inception of a contract which is or contains a lease, the Company recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period is discounted using interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option. The Company also recognises a right of use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of-use asset or Statement of profit and loss, as the case may be. Right of use assets is amortised over the period of lease. The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

(iii) Company as a lessor

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

(w) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Provident Fund

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

Gratuity



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. 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 charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in income.

Compensated Absences

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

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

(x) 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 includes other payables.

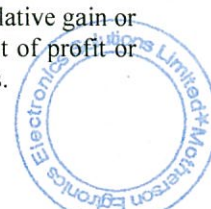
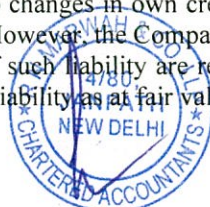
Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated Ind AS as 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.



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.

Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

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

2.2 Critical estimates, judgements and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.



Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(This space has been intentionally left blank)



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Note 3. Property, plant and equipment

Particulars	Plant & Machinery	Office equipments	Computers	Total
Gross carrying amount				
As at August 22, 2025	-	-	-	-
Add: Additions	11,997	19	257	12,273
Less: Disposal	-	-	-	-
Add : Other adjustments	-	-	-	-
As at March 31, 2026	11,997	19	257	12,273
Accumulated Depreciation				
As at August 22, 2025	-	-	-	-
Add: Additions	349	1	15	365
Less: Disposal	-	-	-	-
Add : Other adjustments	-	-	-	-
Closing gross carrying amount as at March 31, 2026	349	1	15	365
Closing net carrying amount as at March 31, 2026	11,648	18	242	11,908

(This space has been intentionally left blank)



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Note 4. Non-current tax assets (net)

Particulars	As at March 31, 2026
Advance tax including TDS recoverable	2,573
Income Tax Liability	(1,315)
Total	1,258

Note 5. Inventories

Particulars	As at March 31, 2026
Raw Materials	20,669
Raw Materials in transit	11,588
Finished Goods (Manufactured)	10,658
Total	42,915

Note 6. Trade receivables

Particulars	As at March 31, 2026
Unsecured, considered good :	
From related parties	-
Others	46,890
Total	46,890

#Refer Note 27 for Ageing Schedule

Note 7. Cash and cash equivalents

Particulars	As at March 31, 2026
Balance with banks - on current account	24,305
Total	24,305

Note 8. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2026
Deposits with original maturity of more than three months but less than 12 months	92,550
Total	92,550

Note 9. Loans and advances

Particulars	As at March 31, 2026
Loans and advances to employees (Current portion only)	4
Total	4

Note 10. Other current financial assets

Particulars	As at March 31, 2026
Security deposit	120
Interest receivable (Current portion only)	657
Total	777

Note 11. Other current assets

Particulars	As at March 31, 2026
Balance with government authorities	8,705
Prepaid Expenses	254
Total	8,959



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Note 12. Share Capital

Particulars	As at March 31, 2026
Authorised: 1,70,00,000 Equity shares of INR 10/- each	170,000
Issued, Subscribed and Paid up: 1,70,00,000 equity shares of INR 10/- each	170,000
	170,000

a. Movement in equity share capital

Particulars	As at March 31, 2026	
	No. of shares	Amount
As at August 22, 2025		
Add: Issued during the year	17,000,000	170,000
Less Buy back during the year	-	-
As at March 31, 2026	17,000,000	170,000

b. Rights, preferences & restrictions attached to shares

- (i). The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share.
(ii) 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 shareholdings.

c. Details of Shares held by holding company

Particulars	As at March 31, 2026	
	Nos	%
Equity shares: Samvardhana Motherson International Limited (Including nominees)	8,670,000	51.00%
	8,670,000	51.00%

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

Particulars	As at March 31, 2026	
	Nos	%
Equity shares: Samvardhana Motherson International Limited (Including nominees)	8,670,000	51.00%
Egtronics Co. Ltd.	8,330,000	49.00%
	17,000,000	100.00%

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

e. Details of shareholding of promoters group

Particulars	As at March 31, 2026		
	No. of shares	% of holding	% Change during the period
Equity shares: Samvardhana Motherson International Limited (Including nominees)	8,670,000	51%	-
	8,670,000	51%	-

Note 13. Other Equity

Particulars	As at March 31, 2026
Retained Earnings	
Opening Balance	
-Profit/(Loss) for the year	4,185
-Transaction costs on Issue of Shares	(1,724)
	2,461



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Note 14. Provisions for Employee Benefits

Particulars	As at March 31, 2026
Non - Current	
Gratuity	61
Total	61

Note 15. Trade Payable

Particulars	As at March 31, 2026
Trade Payable	
-Total outstanding dues of micro and small enterprises	951
-Total outstanding dues of creditors other than micro and small enterprises	50,465
Total	51,416

#Refer Note 28 for Ageing Schedule

*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:

Particulars	As at March 31, 2026
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	951
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-

Note 16. Other current financial liabilities

Particulars	As at March 31, 2026
Accrued salaries and benefits	82
Bonus and incentives	163
Recovery against Vehicle Loan	5
Total	250

Note 17. Other current liabilities

Particulars	As at March 31, 2026
Statutory dues payable - Income tax	903
Statutory dues payable - GST	3,997
Statutory dues payable - Others	385
Total	5,285

Note 18. Revenue from contract with customers

Particulars	For the period August 22, 2025 to March 31, 2026
Sale of products- Finished goods	39,737
Total	39,737

Note 19. Other income

Particulars	For the period August 22, 2025 to March 31, 2026
Interest income on FDR	730
Total	730



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Note20. Cost of material consumed

Particulars	For the period August 22, 2025 to March 31, 2026
Opening stock of raw materials	-
Add: Purchases of Raw materials (excludes material in-transit)	52,150
Less: Closing Stock of Raw Materials	(20,669)
Total	31,481

Note21. Change in inventory of finished goods and work in progress

Particulars	For the period August 22, 2025 to March 31, 2026
Stock at the beginning of the year	-
Finished goods	-
Work-in-progress	-
Stock at the end of the year	10,658
Finished goods	10,658
Work-in-progress	-
(Increase)/decrease in stock	(10,658)
Finished goods	(10,658)
Work-in-progress	-
Total	(10,658)

Note 22. Employee benefit expense

Particulars	For the period August 22, 2025 to March 31, 2026
Salary, wages and bonus	7,828
Contribution to Provident and other funds	104
Gratuity and Pension	61
Staff welfare expenses	65
Total	8,058

Note 23. Depreciation and amortization expense

Particulars	For the period August 22, 2025 to March 31, 2026
Depreciation on property, plant and equipment	365
Total	-

Note 24. Other expenses

Particulars	For the period August 22, 2025 to March 31, 2026
Repairs and Maintenance -	
Machinery	747
Building	374
Others	130
Electricity, water and fuel	31
Rent Expenses	1,100
Rates & taxes	1
Insurance	28
Travelling Expenses	121
Guest house expenses	273
Freight and Forwarding	40
Technical Support Service fee	397
Legal & Professional Expenses	985
Payment to Auditors*	500
Miscellaneous expenses	901
Total	5,628

Payment to Auditors

Particulars	For the period August 22, 2025 to March 31, 2026
Statutory Audit Fee	500
Total	500

Note 25. Tax Expenses

Particulars	For the period August 22, 2025 to March 31, 2026
Current Tax	
Current Tax on Profit during the year	1,315
Adjustment Relating to Earlier years	-
Total Current Tax expenses	1,315
Deferred Tax	
Decrease/(increase) in Deferred Tax Assets	-
Increase/(decrease) in Deferred Tax Liabilities	93
Total	1,408



Note 26. Earnings per share

Particulars	For the period August 22, 2025 to March 31, 2026	
	4,185,117	6,415,837
Net profit after tax available for the equity shareholders (in Rupees)		
Weighted average number of equity shares used to compute the basic earnings per share*	0.65	0.65
Basic earnings (in INR) per share of INR 10 each*		
Diluted earnings (in INR) per share of INR 10 each*		

(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.

Note 27. Trade Receivables Ageing Schedule as at March 31, 2026

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	46,890	-	-	-	-	46,890
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total (As at March 31, 2026)	46,890	-	-	-	-	46,890

Note 28. Trade Payables Ageing Schedule as at March 31, 2026

Particulars	Outstanding for following periods from the due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	951	-	-	-	-	951
(ii) Others	34,238	16,208	-	-	-	50,465
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total (As at March 31, 2026)	35,208	16,208	-	-	-	51,416



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Note 29. Disclosure on Financial Instruments and Risk Management

(1) Fair Value Measurement

a) Financial Instruments by category

Particulars	As at March 31, 2026		
	FVTPL	FVTOCI	Amortised Cost
Current Financial Assets[^]			
(i) Trade Receivables	-	-	46,890
(ii) Cash and Cash Equivalents	-	-	24,305
(iii) Bank balances other than (ii) above	-	-	92,550
(iv) Loans and Advances	-	-	4
(v) Other Financial Asset	-	-	777
	-	-	1,64,526
Current Financial Liabilities[^]			
(i) Trade payables	-	-	51,416
(ii) Other financial liabilities	-	-	250
	-	-	51,666

[^]The carrying amounts of above financial asstes & financial liabilities are considered to be the same as fair value due to their short term maturities.

b) Fair value hierarchy

The fair value of financial instruments is classified into three levels based on the inputs used to determine their fair values as required under Ind AS 113 – Fair Value Measurement.

During the year, the Company did not have any financial assets or financial liabilities that were required to be measured at fair value, whether on a recurring or non-recurring basis. Accordingly, no fair value hierarchy disclosures (Level 1, Level 2, Level 3) are presented in these financial statements.

The carrying amounts of all financial assets and financial liabilities measured at amortised cost approximate their fair values, as these are short-term in nature or are re-priced at frequent intervals.

(2) Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The Company's principal financial assets include trade receivables, cash and cash equivalents, bank balances and other financial assets. The Company is exposed primarily to credit risk, liquidity risk and market risk. The Company's financial risk-management framework focuses on minimising potential adverse effects on the financial performance of the Company. The Company's Board of Directors oversees the risk management process through appropriate policies and procedures.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities (including

The Company's exposure to credit risk primarily arises from trade receivables. During the year, being the first year of incorporation, the Company has exposure to a single customer. Based on the assessment of the customer's creditworthiness, no significant credit risk has been identified.

Trade receivables are monitored on a periodic basis. The Company evaluates the recoverability of receivables based on the financial position of the counterparty and other relevant factors. Given the limited transaction history, the assessment is primarily based on management's evaluation of the customer's credit profile.

The Company applies the Expected Credit Loss (ECL) model in accordance with Ind AS 109 for measurement of impairment loss on financial assets. For trade receivables, the Company follows the simplified approach and recognises lifetime expected credit losses.

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity ensures that it has sufficient funds to meet its liabilities when due, under both normal and stressed conditions.

-The Company maintains adequate cash and committed credit lines with banks to meet its operational needs.

-Management monitors rolling forecasts of liquidity based on expected cash flows.

The contractual maturities of significant financial liabilities are regularly evaluated.



Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted:

Particulars	As at March 31, 2026		
	Less than 1 year	More than 1 year	Total
Non-derivatives			
(i) Trade payables	51,416	-	51,416
(ii) Other financial liabilities	250	-	250
Total non-derivative liabilities	51,666	-	51,666
Derivatives (net settled)			
(i) Foreign exchange forward contracts	-	-	-
(ii) principal swaps	-	-	-
	-	-	-

(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 three types of risk: Interest rate risk, foreign currency risk and other price risk. The financial instruments affected by market risk including loan and borrowings, deposits and payables/receivables in foreign currencies.

(i) Foreign currency risk:

Foreign currency risk arises from transactions and balances denominated in currencies other than the Company's functional currency. The Company's exposure to foreign currency risk primarily relates to imports/exports and foreign-currency-denominated financial assets and liabilities.

During the year, the Company did not enter into any hedging arrangements or derivative contracts for managing foreign currency risk. The foreign currency exposures are monitored on a periodic basis, and the management evaluates the impact of exchange rate fluctuations on the financial statements. Based on the current level of operations and exposure, the management believes that the foreign currency risk is not significant.

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

Particulars	As at March 31, 2026	
	Amount in Foreign currency	Amount in INR
Trade Receivables(USD)	-	-
Trade Payables(USD)	129	11,852
	(129)	(11,852)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from variable-rate borrowings, if any. During the year, the Company did not have any borrowings or interest-bearing financial liabilities. Accordingly, the Company is not exposed to interest rate risk, and no sensitivity analysis is presented.

(A) 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:

Particulars	As at March 31, 2026	
	Borrowings	-
Total Borrowings	-	-

(B) Sensitivity analysis

Since, the company has no borrowings, there is no sensitivity to profit and loss. Hence sensitivity is not disclosed.

(C) Price Risk

Price risk arises from exposure to equity instruments or commodity-linked instruments whose fair values fluctuate due to market conditions. The Company does not hold any investments in equity securities, mutual funds, or other market-linked financial instruments that are subject to price volatility. Accordingly, the Company is not exposed to any price risk, and no sensitivity analysis is required to be presented.

Note 30. Capital Management

The primary objective of the Company's capital management is to safeguard its ability to continue as a going concern and maintain an optimal capital structure to support its business operations. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the business.

As at the reporting date, the Company's capital structure consists solely of equity share capital and retained earnings, as the Company does not have any borrowings or interest-bearing financial liabilities. Accordingly, the Company is not exposed to externally imposed capital requirements and has no gearing ratio to disclose.



Note 31 Disclosures of Ind AS 115 Revenue from Contracts with Customers

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

Particulars	As at March 31,2026
Opening Balance	-
Less:- Written back	-
Add:- Provided at the end of period	-
Closing balance	-

b) Disaggregation of revenue from contracts with customers

Particulars	As at March 31,2026
Revenue by geography	
In India	39,737
Outside India	-
Total	39,737
Revenue by major product lines	
Sale of product	39,737
Sale of services	-
Total	39,737
Timing of revenue recognition	
At a point in time	39,737
Over the period of time	-
Total	39,737
Balance of Contract Liability & Receivables	
Receivables (Unconditional right to consideration)	46,890
Contract liabilities	-
Revenue recognised from	
Amounts included in contract liabilities at the beginning of the period	-
Right of return assets and refund liabilities	
Right of return assets	-
Refund liabilities Arising from rights of return	-
Performance obligations	
Within one period	-
Contract Cost - Incremental costs of obtaining a contract	
There is no increment cost in contract executed during the period.	-

(This space has been intentionally left blank)



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR Thousands, unless otherwise stated)

Note 32. Related party disclosures

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

(a) Entities with control or joint over the entity

S. No.	Name	Ownership Interest	
		Place of Incorporation	March 31, 2026
1	Samvardhana Motherson International Limited (Ultimate Holding Company)	India	51.00%
2	Egtronics Co., Ltd.	South korea	49.00%

(b) Entities with significant influence over the entity:

- 1 Motherson Air Travel Agencies Ltd.

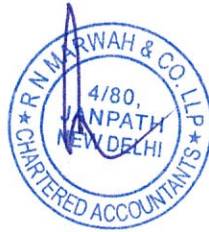
(c) Companies in which key managerial personnel or their relatives have control/ significant influence and transactions during the year:

Nil

(d) Key Management Personnel:

- 1 Mr. Pankaj Mital
- 2 Mr. Rajat Jain
- 3 Mr. Sanjeev Mathur
- 4 Mr. Hyuk IL Kwon
- 5 Mr. Chan Ho Kang

(This space has been intentionally left blank)



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR Thousands, unless otherwise stated)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as

S. No.	Particulars	Entities with control or joint over the entity	Entities with significant influence over the entity
		March 31, 2026	March 31, 2026
1	Purchase of goods	-	-
	Egtronics Co., Ltd.	23,432	
	Samvardhana Motherson International Limited	37,937	
2	Technical Support Service fee	-	-
	Egtronics Co., Ltd.	397	
3	Management Support fee		
	Samvardhana Motherson International Limited	397	
4	Rent paid		
	Samvardhana Motherson International Limited	557	
5	Service charges		
	Motherson Air Travel Agencies Ltd.		49
	Samvardhana Motherson International Limited	640	
6	Reimbursement of expenses - paid		
	Samvardhana Motherson International Limited	6,082	
7	Purchase of capital goods		
	Samvardhana Motherson Innovative Solutions Limited	12,254	

III. Outstanding balances arising from sales / purchases of goods and services

S. No.	Particulars	Entities with control or joint over the entity	Entities with significant influence over the entity
		March 31, 2026	March 31, 2026
	Trade payables (including payable for capital goods)		
	Egtronics Co., Ltd.	23,810	-
	Samvardhana Motherson International Limited	13,252	
	Technical Support Service fee Payable		
	Egtronics Co., Ltd.	315	
	Management Fee Payable		
	Samvardhana Motherson International Limited	358	-

IV. Loans to key management personnel
Nil

V. Key management personnel compensation

Particulars	March 31, 2026
Short term employee benefits	2,023
Total	2,023

(This space has been intentionally left blank)



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR Thousands, unless otherwise stated)

Note 33. Disclosure relating to employee benefits pursuant to Ind AS 19 - Employee Benefits

(i) Defined Contribution Plans

The Company pays to the Government managed provident and pension fund for all the qualifying employees. Contribution to Defined Contribution Plans, recognized as expense and included in "Contribution to provident and other funds" in the Statement of Profit and Loss for the year (refer Note 15) as under:

Particulars	March 31, 2026
Contribution to Provident Fund	102.22
Contribution to Employee State Insurance Scheme	1.60
Total	103.82

(ii) Defined Benefit Plans

Particulars	March 31, 2026	
	Current	Non-current
Gratuity	376	10,952
Leave Encashment		
Total	375.99	10,951.60

A. Gratuity

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

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

Particulars	March 31, 2026
Opening Balance as at August 22, 2025 Before Transfer	-
Transfer adjustment*	11,266.20
Opening Balance as at August 22, 2025 After Transfer adjustment	11,266.20
Amount recognised in profit or loss	
Current Service Cost	46.35
Past Service Cost	-
Interest Expenses	61.03
Total Amount recognised in Statement of Profit and Loss during the year(B)	107.37
Re-measurements	
Actuarial (gain) / loss from change in financial assumption	
Actuarial (gain) / loss from change in demographic assumption	
Experience (gains)/losses	(45.98)
Amount recognised in other comprehensive income during the year(C)	(45.98)
Benefit payments(D)	-
Closing Balance as at 31.03.2025 (E=A+B+C+D)	11,327.59
Current & Non Current Component	
Current	375.99
Non-Current	10,951.60
Total	11,327.59

* This pertains to the gratuity obligation relating to employees who have been transferred from the Group companies to the Company's payroll during the current year. The corresponding gratuity liability amount is pending transfer by the respective Group companies and is expected to be received in the near future. Further, being the first year of incorporation, the entire expenditure pertaining to the current year has been recognized in the Statement of Profit and Loss.

(II) Actuarial assumptions:

Discount Rate per annum	6.60%
Future salary increases	8.00%
Retirement age	58 Years
Mortality rate	
Employee attrition rate	Indian Assured Lives Mortality (2006-08) Ult
Upto 30 years	16.00%
31 to 44 years	6.50%
Above 44 years	2.50%

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

(III) Expected contribution in the next year

NA
March 31, 2026

Gratuity

(IV) Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is

	Change in Assumption			Increase in Assumption			Decrease in Assumption		
	March 31, 2026	March 31, 2025	Impact	March 31, 2026	March 31, 2025	Impact	March 31, 2026	March 31, 2025	
Discount rate per annum	0.50%	NA	Decrease by	(334)	NA	Increase by	318	NA	
Future salary increases	0.50%	NA	Increase by	670	NA	Decrease by	619	NA	

The 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.



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR Thousands, unless otherwise stated)

(V) Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -
A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities
E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(VI) Defined benefit liability and employer contributions

March 31, 2026

Weighted average duration of the defined benefit obligation in years

7 Years

Expected benefit payments are as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2026					
Defined benefit obligation (gratuity)	388.20	543.48	7308.68	5602.63	13842.98
March 31, 2025					
Defined benefit obligation (gratuity)	NA	NA	NA	NA	NA

B. Leave Encashment

The leave obligations cover the company's liability for earned leave.

The Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months and accordingly, amounts have been classified as current and non-current.

Particulars	March 31, 2026
Opening Balance as at August 22, 2025 Before Transfer adjustment	-
Transfer adjustment ^a	2,954.77
Opening Balance as at August 22, 2025 After Transfer adjustment	2,954.77
Amount recognised in profit or loss	
Current Service Cost	10.64
Past Service Cost	-
Interest Expenses	16.01
Total Amount recognised in Statement of Profit and Loss during the year(B)	26.64
Re-measurements	
Actuarial (gain) / loss from change in financial assumption	-
Actuarial (gain) / loss from change in demographic assumption	-
Experience (gains)/losses	(26.64)
Amount recognised in other comprehensive income during the year(C)	(26.64)
Benefit payments(D)	-
Closing Balance as at 31.03.2025 (E=A+B+C+D)	2,954.77

^aThis pertains to the leave encashment obligation relating to employees who have been transferred from the Group companies to the Company's payroll during the current year. The corresponding leave encashment liability amount is pending transfer by the respective Group companies and is expected to be received in the near future. Further, Being the first year of incorporation, the entire expenditure pertaining to the current year has been recognized in the Statement of Profit and Loss.

Employee Benefit Obligations and the Impact of the New Labour Code (specifically the Code on Wages, 2019)

1. Overview of the Regulatory Change

The Code on Wages, 2019 (the "Code") received Presidential assent in August 2019 and was subsequently notified for implementation effective from **November 21, 2025**. The Code replaces four existing labour laws, including the Payment of Wages Act, 1936, and the Minimum Wages Act, 1948.

The Code introduces a unified definition of "Wages," which significantly impacts the calculation of employee benefits such as Gratuity, Leave Encashment, and Provident Fund contributions. Under the new definition, certain allowances (such as HRA, overtime, and conveyance) are excluded from the definition of wages, provided that the sum of such exclusions does not exceed 50% of the total remuneration. If exclusions exceed this threshold, the excess amount is deemed to be "wages."

2. Impact on Employee Benefit Liabilities

The Company has evaluated the impact of the Code on its defined benefit obligations (DBO) as per **Ind AS 19 - Employee Benefits**.

Since the Code became effective on November 21, 2025, the Company has remeasured its obligations as of the reporting date to reflect the revised "Wage" base. The impact is summarized below:

Gratuity Liability: The revised definition often leads to an increase in the basic salary component used for gratuity calculations.

Leave Encashment: Higher "wage" components have resulted in a proportionate increase in the provision for compensated absences.

Provident Fund: Contributions have been adjusted to align with the new statutory limits and definition of wages where applicable.

3. Financial Statement Impact

Due to a legislative amendment during the period, the resulting increase in the present value of the defined benefit obligation has been recognized within the Statement of Profit and Loss for the year ended March 31, 2026.

4. Uncertainty and Future Adjustments

While the Code is effective from November 21, 2025, the Company continues to monitor the final rules, clarifications, and judicial interpretations that may be issued by the Ministry of Labour and Employment. Any further refinements to the liability will be adjusted in the period in which such clarifications become available.



Motherson Egtronics Electronics Solutions Limited
CIN :- U27900MH2025PLC454943
Notes to the Financial Statements
(All amounts in INR thousands, unless otherwise stated)

Note 34 Deferred Tax Assets/ (Liabilities) (net)

Particulars	Amount
Deferred Tax Assets	15
Deferred Tax Liability	108
Net Deferred Tax Liability	93

Note 35 Capital Commitments

The Company does not have any outstanding capital commitments as at March 31, 2026.

Note 36 Contingent Liabilities

The Company has no Contingent Liability as the end of the reporting period.

Note 37 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company.
- (ii) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (iii) The Company do 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 or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (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) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person or entity, 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) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company is not declared as wilful defaulter by any bank or financial institutions
- (ix) The company does not have revalued its Property, Plant and Equipment during the year.

Note 38 The Company has used one accounting software and two allied softwares 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. Additionally, the audit trail of previous year has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Note 39 Ratio Analysis

Particulars	Numerator	Denominator	March 31, 2026
a) Current ratio (Times)	Current Assets	Current Liabilities	3.80
b) Debt-equity ratio (Times)	Debt	Equity	NA
c) Debt service coverage ratio (Times)	Net operating income	Debt	NA
d) Return on equity ratio (%)	Net income	Shareholder's equity	3.29
e) Inventory turnover ratio (Times)	Cost of goods sold	Average inventory	0.73
f) Trade receivables turnover ratio (Times)	Credit Sales	Average accounts receivable	84.75
g) Trade payables turnover ratio (Times)	Credit Purchases	Average accounts payable	101.43
h) Net capital turnover ratio (Times)	Sales	Working capital	0.25
i) Net profit ratio (%)	Net profit	Sales	10.53
j) Return on capital employed (%)	Net operating income	Capital Employed	3.50
k) Return on investment (%)	Net Income from Investments	Cost of Investments	NA

Note : (I) In accordance with the requirements of Schedule III to the Companies Act, 2013, the Company is required to present certain key financial ratios. Since this is the first year of incorporation, comparative figures for the previous year and the related percentage variances are not applicable and therefore have not been presented.

(II) The ratios for the current year have been presented to the extent relevant and computable based on the financial information of the Company.

As per our report of even date

For R.N. Mathur & Co. LLP
Chartered Accountants
 FRN 001211NAN500019

Manoj Gupta
 Partner
 Membership No. 1095776

Place: Noida
 Date: 27/04/2026

For and on behalf of the Board of Directors of
Motherson Egtronics Electronics Solutions Limited

Hyuk IL Kwon
 Whole Time Director
 DIN: 11356954

Place: Noida
 Date: 27/04/2026

Sanjeev Mathur
 Director
 DIN: 01092028

Place: Noida
 Date: 27/04/2026

