

**Balance Sheet as at March 31, 2026**

	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	79,721	79,201
Capital work in progress	3(a)	-	2,479
Other intangible assets	4	-	1,729
Intangible assets under development	4(a)	180	-
Right-of-use assets	5	38,594	5,235
Investment in subsidiary	6	33,63,605	-
Other financial assets	7	2,418	1,477
Deferred tax assets (net)	8	-	-
Other non-current assets	9	207	21
<b>Total non-current assets</b>		<b>34,84,725</b>	<b>90,141</b>
<b>Current assets</b>			
Inventories	10	1,20,288	1,45,865
Financial assets			
i. Trade receivables	11	2,82,357	1,60,987
ii. Cash and cash equivalents	12(a)	1,072	291
iii. Bank balances other than (ii) above	12(b)	443	997
iii. Other financial assets	7	116	584
Current tax assets (net)	13	2,023	160
Other current assets	14	87,150	89,302
<b>Total current assets</b>		<b>4,93,449</b>	<b>3,98,186</b>
<b>Total assets</b>		<b>39,78,175</b>	<b>4,88,327</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	40,89,105	5,25,500
Reserves and surplus	16	(8,42,043)	(7,18,694)
<b>Total equity</b>		<b>32,47,062</b>	<b>(1,93,194)</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial Liabilities			
i. Borrowings	19(a)	1,20,000	2,62,000
ii. Lease liabilities	17	32,659	3,374
Employee benefit obligations	18	5,328	7,926
<b>Total non-current liabilities</b>		<b>1,57,987</b>	<b>2,73,300</b>
<b>Current liabilities</b>			
Financial Liabilities			
i. Borrowings	19(b)	3,68,148	3,26,389
ii. Lease liabilities	17	7,743	3,767
iii. Trade payables	20		
Total outstanding dues of micro and small enterprises		420	1,362
Total outstanding dues of creditors other than micro and small enterprises		1,86,292	66,121
iv. Other financial liabilities	21	4,203	3,215
Employee benefit obligations	18	789	667
Other current liabilities	22	5,529	6,700
<b>Total current liabilities</b>		<b>5,73,125</b>	<b>4,08,221</b>
<b>Total liabilities</b>		<b>7,31,112</b>	<b>6,81,521</b>
<b>Total equity and liabilities</b>		<b>39,78,175</b>	<b>4,88,327</b>

Summary of material accounting policies

1 & 2

The accompanying notes are an integral part of the financial statements.

For and on behalf of the board

Ramesh Dhar  
Director  
DIN: 00085046  
Place: Noida

Kunal Bajaj  
Director  
DIN: 03545731  
Place: Noida

Paramjeet Singh  
COO & Manager  
PAN: ABVPS3211R  
Place: Noida

Jaspal Singh Tandon  
CFO  
PAN: AACPT7399B  
Place: Noida

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

Vipin Bali  
Partner  
M.No. 083436  
Place:  
Date:

Bhawani Shanker  
Company Secretary  
PAN: FGJPS8492E  
Place: Noida

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

**CIN: U29190DL2017PLC322331**

(All amounts in INR thousand, unless otherwise stated)

**Statement of Profit and Loss for the year ended March 31, 2026**

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Revenue</b>			
Revenue from contract with customers	23(a)	6,38,279	3,76,184
Other operating revenue	23(b)	6,699	7,918
<b>Total revenue from operations</b>		<b>6,44,978</b>	<b>3,84,102</b>
Other income	24	10,838	2,471
<b>Total income</b>		<b>6,55,816</b>	<b>3,86,573</b>
<b>Expenses</b>			
Cost of materials consumed	25	3,15,771	2,59,734
Purchase of stock-in-trade		1,71,524	53,431
Change in inventory of finished goods and work in progress	26(a)	21,529	(35,963)
Change in inventory of stock in trade	26(b)	-	-
Employee benefits expense	27	90,936	74,918
Finance costs	28	51,979	44,910
Depreciation and amortization expense	29	22,288	21,153
Other expenses	30	93,656	48,085
<b>Total expenses</b>		<b>7,67,683</b>	<b>4,66,268</b>
<b>Profit/ (loss) before tax</b>		<b>(1,11,867)</b>	<b>(79,695)</b>
<b>Tax expenses</b>			
-Current tax	31(b)	-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/ (loss) for the year</b>		<b>(1,11,867)</b>	<b>(79,695)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gain/(loss) on remeasurements of post-employment benefit obligations		1,045	293
			-
<b>Other comprehensive income for the year, net of tax</b>		<b>1,045</b>	<b>293</b>
<b>Total comprehensive income for the year</b>		<b>(1,10,822)</b>	<b>(79,402)</b>
<b>Earnings/ (loss) per share (absolute figures):</b>			
Nominal value per share: INR 10 (Previous year : INR 10)	32		
Basic		(1.71)	(1.51)

Summary of material accounting policies

1 & 2

The accompanying notes are an integral part of the financial statements.

For and on behalf of the board

As per our report of even date  
For R K Khanna & Co.  
Chartered Accountants  
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Bhawani Shanker  
Company Secretary  
PAN: FGJPS8492E  
Place: Noida

**Cash Flow Statement for the year ended March 31, 2026**

	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. Cash flow from operating activities:</b>		
Net profit/ (loss) before tax	(1,11,867)	(79,695)
Adjustments for:		
Depreciation & amortisation	22,288	21,153
Interest income	(146)	(152)
Interest on Income tax refund	(45)	(53)
Lease liabilities written back to the extent no longer required	-	(1,823)
Finance cost	51,979	44,910
Unrealised foreign exchange gain	(7,961)	(1,130)
Provision for employee benefits	1,913	3,062
Provision for doubtful advances	27,523	139
Provision for doubtful trade receivable	-	967
<b>Operating profit/ (loss) before working capital changes</b>	<b>(16,316)</b>	<b>(12,623)</b>
<b>Changes in working capital:</b>		
(Decrease)/increase in trade payables	1,16,309	(40,757)
(Decrease)/increase in other financial liabilities	939	(5,198)
(Decrease)/increase in other liabilities	(4,514)	36
(Increase)/decrease in trade receivables	(1,37,652)	(1,07,817)
(Increase)/decrease in Inventories	25,577	(1,514)
(Increase)/decrease in financial assets	554	(997)
(Increase)/decrease in other financial assets	(834)	1,114
(Increase)/decrease in other current assets	2,152	(26,627)
(Increase)/decrease in other non current assets	(186)	28
<b>Cash generated from operations</b>	<b>(13,970)</b>	<b>(1,94,354)</b>
- Taxes paid	(2,674)	(164)
- Refund received	811	1,330
- Interest on refund received	45	53
<b>Net cash generated from operations</b>	<b>(15,788)</b>	<b>(1,93,134)</b>
<b>B. Cash flow from investing activities:</b>		
Payments for property, plant and equipment	(11,364)	(4,078)
Payment for capital work in progress	-	(2,479)
Payment for purchase of investments	-	-
Interest received	146	152
<b>Net cash used in investing activities</b>	<b>(11,218)</b>	<b>(6,405)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of equity share capital	1,87,473	-
Proceeds from loan from related parties	7,30,000	2,80,000
Proceeds from working capital loan from bank	(80,241)	56,879
Proceeds from term loan from financial institutions	-	-
Repayment of loan from related parties	(7,50,000)	(83,000)
Repayment of term loan from bank	-	-
Repayment of term loan from financial institutions	-	-
Payment of lease liability	(10,422)	(7,946)
Interest paid	(49,022)	(46,223)
<b>Net cash used in financing activities</b>	<b>27,788</b>	<b>1,99,710</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>781</b>	<b>171</b>
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>291</b>	<b>120</b>
<b>Cash and cash equivalents as at current year closing</b>	<b>1,072</b>	<b>291</b>
<b>Cash and cash equivalents comprise of the following (refer Note 12)</b>		
Balances with banks	1,072	291
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>1,072</b>	<b>291</b>

Notes:

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

Summary of material accounting policies

1 & 2

The accompanying notes are an integral part of the financial statements.

For and on behalf of the board

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

Ramesh Dhar  
Director  
DIN: 00085046  
Place: Noida

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**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

CIN: U29190DL2017PLC322331

(All amounts in INR thousand, unless otherwise stated)

**Statement of changes in equity for the year ended March 31, 2026****A. Equity share capital**

	Notes	Amount
<b>As at April 01, 2024</b>		5,25,500
Issue of equity share capital	15	-
<b>As at March 31, 2025</b>		<b>5,25,500</b>
Issue of equity share capital	15	35,63,605
<b>As at March 31, 2026</b>		<b>40,89,105</b>

**B. Other equity**

	Notes	Reserves and surplus	Total
		Retained earnings	
<b>Balance as at April 01, 2024</b>		<b>(6,39,292)</b>	<b>(6,39,292)</b>
Additions during the year	16	(79,695)	(79,695)
Other comprehensive income		293	293
<b>Total comprehensive income for the year</b>		<b>(79,402)</b>	<b>(79,402)</b>
<b>Balance as at March 31, 2025</b>		<b>(7,18,694)</b>	<b>(7,18,694)</b>
Addition during the year	16	(1,11,867)	(1,11,867)
Fees for increase in authorized share capital		(12,527)	(12,527)
Other comprehensive income		1,045	1,045
<b>Total comprehensive income for the year</b>		<b>(1,23,349)</b>	<b>(1,23,349)</b>
<b>Balance as at March 31, 2026</b>		<b>(8,42,043)</b>	<b>(8,42,043)</b>

**Summary of material accounting policies****1 & 2**

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

For and on behalf of the board

As per our report of even date  
For R K Khanna & Co.  
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**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED****CIN: U29190DL2017PLC322331**

(All amounts in INR Thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026****1. Corporate Information**

The company was incorporated as wholly owned subsidiary of Erstwhile Samvardhana Motherson International Limited on 18 August 2017 and has its registered office at Mohan Co-Operative Industrial Estate, F-7, 2nd Floor, B-1, Mathura Road, New Delhi-110044. The object of the company is to engage in and conduct the business of scientific, technical, and other research and development in any field, particularly in the field of developing /deploying defence and other technologies, electronics, computer software, systems integration and related services including aerospace, defence, and cyber security sector and to purchase and sell equipment, technology and property related to its business.

During the financial year 2020-21, 100% shareholding of the Company from Erstwhile Samvardhana Motherson International Limited was transferred to Motherson Auto Limited (MAL) through share purchase agreement executed on June 29, 2020.

During the financial year 2023-24, 100% shareholding of the Company from Motherson Auto Limited (MAL) was transferred to Samvardhana Motherson International Limited (SAMIL) through Share Purchase Agreement executed on December 20, 2023. The Company is now a wholly owned subsidiary of Samvardhana Motherson International Limited (SAMIL) w.e.f. December 20, 2023, a Company incorporated in India having its registered office at Mumbai, Maharashtra.

**2.1 Material accounting policies****(a) Basis of preparation****Compliance with Ind AS**

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

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- Defined benefit pension plans – plan assets measured at fair value.

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

**New and amended standards and interpretation**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

**I. 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.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

**CIN: U29190DL2017PLC322331**

(All amounts in INR Thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

These amendments do not have any impact on the Company's financial statement.

**II. 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.

The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

**III. 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.

The company does not have any Supplier Finance Arrangement and therefore no impact of these amendments.

**IV. 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.

**(b) Presentation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following.

- (i) The normal course of business
- (ii) The event of default
- (iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

**CIN: U29190DL2017PLC322331**

(All amounts in INR Thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

**Summary of material accounting policies**

**(c) Current versus non-current classification**

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

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

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
- 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.

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

**(d) Foreign currencies**

**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiary) classified as FVOCI are recognised in other comprehensive income.

**(e) Revenue recognition**

**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.

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(All amounts in INR Thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

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.

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, considering 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.

**Interest Income:**

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

**Duty drawback and export incentives:**

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

**(f) 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.

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 based on amounts expected to be paid to the tax authorities.

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(All amounts in INR Thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

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 that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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

Deferred tax 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.

**(g) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**As a Lessee**

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

**i) Right-of-use assets**

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

- Buildings: 3 to 5 years
- Motor vehicles: 1 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate is recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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The Company's lease liabilities are included in Interest-bearing loans and borrowings.

**iii) Short-term leases and leases of low-value assets**

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

**As a Lessor**

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

**(h) Impairment of non-financial assets**

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

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

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

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

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

**(i) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand short term deposits 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 change in value.

For the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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**Notes to the financial statements for the year ended March 31, 2026**

**(j) Trade receivables**

Trade receivables are the amount due from customers for goods or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value plus transaction cost. Trade receivables are measured at amortized cost using effective interest method less any necessary write downs.

**(k) Inventory**

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

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any names or losses on qualifying cash flow hedges relating to purchase of raw material but excludes borrowing costs. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(l) Financial instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

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

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

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and

fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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**Notes to the financial statements for the year ended March 31, 2026****Debt instrument at FVOCI**

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

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

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

**Debt instrument at FVPL**

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

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

Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognized in the P&L.

**Derecognition**

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

- (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 pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

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**Notes to the financial statements for the year ended March 31, 2026**

**Impairment of financial assets**

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

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVOCI.
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions.
- (d) Loan commitments which are not measured as at FVPL.
- (e) Financial guarantee contracts which are not measured as at FVPL.

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

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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**Notes to the financial statements for the year ended March 31, 2026****Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered 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 FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses 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.

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

**Financial guarantee contracts**

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

**Derecognition**

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

**Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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

**Notes to the financial statements for the year ended March 31, 2026**

**Offsetting of financial instruments**

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

**(m) 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:

- (a) In the principal market for the asset or liability, or
- (b) 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 considers 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 fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(n) Property, Plant and equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any except assets costing less than INR 5000/- charged to expenses, which could otherwise have been included in Property, Plant and Equipment, in accordance with revised Accounting Standard 10 – "Property, Plant and Equipment" because the amount is not substantial. Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure, net of any subsequent

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sale proceeds of items produced over the cost of testing, which is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately

based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

**Depreciation methods and useful lives**

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

<b>Assets</b>	<b>Useful life*</b>
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Plant & machinery	7.5 Years
Furniture & fixtures	6 years
Electrical installation	10 years
Office equipments	5 years
Computers	3 years
Softwares	3 years
Utilities	7.5 Years
Factory equipment	7.5 Years
Lab equipment	5 years

\*Useful life of these assets is lower than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

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 derecognition 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 are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(o) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are as follows:

<b>Assets</b>	<b>Useful life</b>
Software	3 years

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

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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.

**(p) 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 transactions costs) and the redemption amount is recognised in the profit or loss over the period of borrowing 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 the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services or 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.

Borrowings are reclassified as current liabilities unless the Company has an unconditional right to defer settlement of a liability for at least 12 months after the reporting period.

**(q) Provisions, contingent liabilities and onerous contracts****Provisions**

Provisions for legal claims, product warranties and make good obligations are recognised when the Company has a present (legal or constructive) obligation because 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 several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

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

**Onerous contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

**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.

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**Notes to the financial statements for the year ended March 31, 2026****(r) 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 monthly. 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**

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 Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The Company's plan is unfunded.

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 because 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.

**(s) Earnings per share****Basic earnings per share**

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

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

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- 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.

**Notes to the financial statements for the year ended March 31, 2026**

**2.2 Significant accounting judgements, estimates 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, there are no significant judgements established by the management.

**Estimates and adjustments**

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.

**(i) Useful life of property, plant and equipment**

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

**(ii) Defined benefit plans**

The cost of the defined benefit gratuity plan is determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 17.

**(iii) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

**(iv) Lease**

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 consolidated financial statements:

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal options for leases of motor vehicles are not included as part of the lease term because the Company typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 39(c) for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

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(All amounts in INR thousand, unless otherwise stated)

Notes to the financial statements for the year ended March 31, 2026

3. Property, plant and equipment

Particulars	Plant & machinery	Furniture & fixtures	Factory equipments	Electrical installations & equipments	Leasehold improvements	Lab equipments	Office equipments	Computers	Total
<b>Year ended March 31, 2025</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount as at April 01, 2024	43,306	2,447	10,505	6,939	38,043	64	481	4,897	1,06,681
Addition	1,186	188	503	41	1,082	-	19	1,060	4,079
Disposal	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount as at March 31, 2025</b>	<b>44,492</b>	<b>2,635</b>	<b>11,008</b>	<b>6,980</b>	<b>39,125</b>	<b>64</b>	<b>500</b>	<b>5,957</b>	<b>1,10,760</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation as at April 01, 2024	7,910	669	1,879	402	1,965	57	288	2,794	15,964
Depreciation charge during the year	6,194	280	3,091	698	3,883	7	54	1,388	15,595
Disposal	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2025</b>	<b>14,104</b>	<b>949</b>	<b>4,970</b>	<b>1,100</b>	<b>5,848</b>	<b>64</b>	<b>342</b>	<b>4,182</b>	<b>31,559</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>30,388</b>	<b>1,685</b>	<b>6,038</b>	<b>5,880</b>	<b>33,277</b>	<b>-</b>	<b>158</b>	<b>1,775</b>	<b>79,201</b>
<b>Year ended March 31, 2026</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount as at April 01, 2025	44,492	2,635	11,008	6,980	39,125	64	500	5,957	1,10,760
Addition	4,331	326	7,213	-	677	-	26	1,089	13,663
Disposal	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount as at March 31, 2026</b>	<b>48,823</b>	<b>2,961</b>	<b>18,221</b>	<b>6,980</b>	<b>39,802</b>	<b>64</b>	<b>526</b>	<b>7,046</b>	<b>1,24,423</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation as at April 01, 2025	14,104	949	4,970	1,100	5,848	64	342	4,182	31,559
Depreciation charge during the year	6,326	466	411	698	3,931	-	65	1,247	13,144
Other adjustment	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2026</b>	<b>20,430</b>	<b>1,415</b>	<b>5,381</b>	<b>1,798</b>	<b>9,779</b>	<b>64</b>	<b>407</b>	<b>5,429</b>	<b>44,702</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>28,393</b>	<b>1,546</b>	<b>12,840</b>	<b>5,182</b>	<b>30,023</b>	<b>-</b>	<b>119</b>	<b>1,617</b>	<b>79,721</b>

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(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

**3a. Capital work in progress**

Particulars		Amount			
<b>Year ended March 31, 2025</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount as at April 01, 2024		-			
Capitalised during the year		2,479			
Deletion		-			
<b>Closing gross carrying amount as at March 31, 2025</b>		<b>2,479</b>			
<b>Net carrying amount as at March 31, 2025</b>		<b>2,479</b>			
<b>Year ended March 31, 2026</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount as at April 01, 2025		2,479			
Addition		-			
Capitalised during the year		(2,479)			
<b>Closing gross carrying amount as at March 31, 2026</b>		<b>-</b>			
<b>Net carrying amount as at March 31, 2026</b>		<b>-</b>			
<b>Capital work in progress completion schedule</b>					
<b>As at March 31, 2026</b>					
Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>Projects in progress:-</b>					
Plant & Machinery	(2,479)	-	-	-	(2,479)
<b>Total</b>	<b>(2,479)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,479)</b>
<b>As at March 31, 2025</b>					
Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>Projects in progress:-</b>					
Plant & Machinery	2,479	-	-	-	2,479
<b>Total</b>	<b>2,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,479</b>

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(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026****4. Other intangible assets**

<b>Particulars</b>	<b>Softwares</b>
<b>Year ended March 31, 2025</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as at April 01, 2024	7,294
Addition	-
<b>Closing gross carrying amount as at March 31, 2025</b>	<b>7,294</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation as at April 01, 2024	3,581
Amortisation charge during the year	1,984
<b>Closing accumulated amortisation as at March 31, 2025</b>	<b>5,565</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>1,729</b>
<b>Year ended March 31, 2026</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as at April 01, 2025	7,294
Addition	-
<b>Closing gross carrying amount as at March 31, 2026</b>	<b>7,294</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation as at April 01, 2025	5,565
Amortisation charge during the year	1,729
<b>Closing accumulated amortisation as at March 31, 2026</b>	<b>7,294</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>-</b>

**4a. Intangible assets under development**

<b>Particulars</b>	<b>Softwares</b>
<b>Year ended March 31, 2025</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as at April 01, 2024	-
Addition	-
<b>Closing gross carrying amount as at March 31, 2025</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>-</b>
<b>Year ended March 31, 2026</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as at April 01, 2025	-
Addition	180
<b>Closing gross carrying amount as at March 31, 2026</b>	<b>180</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>-</b>

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(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

**5. Right-of-use assets**

	<b>Building</b>	<b>Vehicles</b>	<b>Total</b>
<b>Year ended March 31, 2025</b>			
<b>Gross carrying amount</b>			
Opening balance as at April 01, 2024	15,454	131	15,585
Addition	-	4,067	4,067
Disposal	-	(131)	(131)
Other adjustment*	(1,477)	-	(1,477)
<b>Closing gross carrying amount as at March 31, 2025</b>	<b>13,977</b>	<b>4,067</b>	<b>18,044</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation as at April 01, 2024	10,317	131	10,448
Depreciation charge during the year	2,762	813	3,575
Disposal	-	(131)	(131)
Other adjustment*	(1,083)	-	(1,083)
<b>Closing accumulated depreciation as at March 31, 2025</b>	<b>11,995</b>	<b>813</b>	<b>12,809</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>1,982</b>	<b>3,254</b>	<b>5,235</b>
<b>Year ended March 31, 2026</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount as at April 01, 2025	13,977	4,067	18,044
Addition	36,600	4,174	40,774
Disposal	-	-	-
Other adjustment*	-	-	-
<b>Closing gross carrying amount as at March 31, 2026</b>	<b>50,578</b>	<b>8,241</b>	<b>58,819</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation as at April 01, 2025	11,995	813	12,809
Depreciation charge during the year	6,367	1,049	7,415
Disposal	-	-	-
Other adjustment*	-	-	-
<b>Closing accumulated depreciation as at March 31, 2026</b>	<b>18,362</b>	<b>1,862</b>	<b>20,224</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>32,216</b>	<b>6,379</b>	<b>38,594</b>

\*On account of reduction in the area taken on operating lease. Excess lease liability of INR 1823 thousand in FY2024-25 was written back. Refer Note 23(b)

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(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

**6 Investment in subsidiary**

(Unquoted instruments valued at cost unless stated otherwise)

Investment in Subsidiaries :

CIM Tools Private Limited

(March 31, 2026: 25,86,873 Equity shares of INR 10/- each fully paid up at a premium of INR 1,290.26/- each)

(March 31, 2025: Nil )

**Total**

During the year, the Company has entered into a Share Purchase Agreement ("SPA") on March 27, 2026 for acquisition of 25,86,873 (Twenty Five Lakh Eighty Six Thousand Eight Hundred Seventy Three) equity shares of INR 10/- each fully paid up at premium of INR 1,290.26/- each of CIM Tools Private Limited which are legally and beneficially held by the Seller (Samvardhana Motherson International Limited ("The Holding Company") and its nominees). The consideration of INR 336,36,05,330 for the investment has been discharged by the Company through the issuance and allotment of 33,63,60,533 equity shares of INR 10/- each at face value to the Seller, in accordance with the terms and conditions of the SPA.

March 31, 2026		March 31, 2025	
Non - current	Current	Non - current	Current
33,63,605	-	-	-
<b>33,63,605</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7 Other financial assets**

(Unsecured, considered good, unless otherwise stated)

Interest accrued on deposits with banks

Security deposits\*

\*Less:- Provision against doubtful recoverables

Housing loan to employee

Deposits with remaining maturity of more than 12 months

- margin money deposits (for bank guarantees)

- others

**Total**

March 31, 2026		March 31, 2025	
Non - current	Current	Non - current	Current
-	-	8	89
1,263	500	199	518
-	(500)	-	(139)
1,263	-	199	379
144	116	260	116
-	-	-	-
1,011	-	1,010	-
-	-	-	-
<b>2,418</b>	<b>116</b>	<b>1,477</b>	<b>584</b>

**8 Deferred tax assets (net)**

Property, plant and equipments and intangible assets

Provision for employee benefit obligations

Carried forward business losses

Unabsorbed depreciation

Others

Total deferred tax assets

**Deferred tax liabilities**

Property, plant and equipments and intangible assets

Total deferred tax liability

Deferred tax assets(Net)

Less: Unrecognised deferred tax assets

**Total**

	March 31, 2026	March 31, 2025
Property, plant and equipments and intangible assets	-	-
Provision for employee benefit obligations	1,372	2,226
Carried forward business losses	60,661	44,906
Unabsorbed depreciation	14,108	10,402
Others	7,913	785
<b>Total deferred tax assets</b>	<b>84,054</b>	<b>58,320</b>
Property, plant and equipments and intangible assets	539	704
<b>Total deferred tax liability</b>	<b>539</b>	<b>704</b>
Deferred tax assets(Net)	83,515	57,615
Less: Unrecognised deferred tax assets	(83,515)	(57,615)
<b>Total</b>	<b>-</b>	<b>-</b>

**Deferred tax assets/ (liabilities) (net)**

The company has carried out a computation of deferred tax assets/ (liabilities); details are given below:

**Deferred tax liabilities**

Property, plant and equipment and intangible assets

**Total deferred tax liabilities**

**Deferred tax assets**

Property, plant and equipment and intangible assets

Employee benefit provisions

Carried forward business losses

Unabsorbed depreciation

Others

**Total deferred tax assets**

**Net deferred tax (liability)/assets (net)**

Less: Unrecognised deferred tax assets

**Recognised deferred tax assets**

As at April 01, 2025	(Charge)/ credit to Statement of Profit and Loss	(Charge)/credit to other comprehensive income	As at March 31, 2026
(704)	165	-	(539)
<b>(704)</b>	<b>165</b>	<b>-</b>	<b>(539)</b>
-	-	-	-
2,226	(582)	(272)	1,372
44,906	15,754	-	60,661
10,402	3,706	-	14,108
785	7,128	-	7,913
<b>58,320</b>	<b>26,006</b>	<b>(272)</b>	<b>84,054</b>
<b>57,615</b>	<b>26,172</b>	<b>(272)</b>	<b>83,515</b>
(57,615)	(26,172)	272	(83,515)
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Deferred tax liabilities**

Property, plant and equipment and intangible assets

**Total deferred tax liabilities**

**Deferred tax assets**

Employee benefit provisions

Carried forward business losses

Unabsorbed depreciation

Others

**Total deferred tax assets**

**Net deferred tax (liability)/assets (net)**

Less : Unrecognised deferred tax assets

**Recognised deferred tax assets**

As at April 01, 2024	(Charge)/ credit to Statement of Profit and Loss	(Charge)/credit to other comprehensive income	As at March 31, 2025
(1,286)	581	-	(704)
<b>(1,286)</b>	<b>581</b>	<b>-</b>	<b>(704)</b>
2,381	(79)	(76)	2,226
27,366	17,541	-	44,906
6,413	3,989	-	10,402
1,794	(1,009)	-	785
<b>37,954</b>	<b>20,441</b>	<b>(76)</b>	<b>58,320</b>
<b>36,668</b>	<b>21,022</b>	<b>(76)</b>	<b>57,615</b>
(36,668)	(21,022)	76	(57,615)
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

**9 Other non-current assets**

(Unsecured, considered good, unless otherwise stated)

Prepaid expenses

**Total**

March 31, 2026	March 31, 2025
207	21
<b>207</b>	<b>21</b>

**10 Inventories**

Raw materials (net of provision)\*

Stock in trade

Work-in-progress

Finished goods\*\*

**Total**

March 31, 2026	March 31, 2025
90,789	94,837
-	-
24,120	25,278
5,379	25,750
<b>1,20,288</b>	<b>1,45,865</b>

\*During the year, the Company has made a provision of INR 14,911.63 thousand for slow moving inventory. (as on March 31, 2025- Nil)

\*\*Includes goods in transit INR 1,507 thousand as on March 31, 2026 (INR 15,865 thousands as on March 31, 2025)

**11 Trade receivables**

(Unsecured, considered good, unless otherwise stated)

-Related parties

-Others

Less: Provision For Bad & Doubtful Debts

**Total**

March 31, 2026	March 31, 2025
14	-
3,10,472	1,61,954
<b>3,10,486</b>	<b>1,61,954</b>
28,129	967
<b>2,82,357</b>	<b>1,60,987</b>

**As at March 31, 2026**

Particulars	Not due	Less than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	1,60,821	1,21,536	-	-	-	-	2,82,357
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	23,279	3,770	1,080	-	28,129
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,60,821</b>	<b>1,21,536</b>	<b>23,279</b>	<b>3,770</b>	<b>1,080</b>	-	<b>3,10,486</b>
<b>Less: Allowance for credit impaired</b>	-	-	23,279	3,770	1,080	-	28,129
<b>Total</b>	<b>1,60,821</b>	<b>1,21,536</b>	-	-	-	-	<b>2,82,357</b>

**As at March 31, 2025**

Particulars	Not due	Less than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	36,300	1,13,447	11,241	-	-	-	1,60,987
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	967	-	-	967
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>36,300</b>	<b>1,13,447</b>	<b>11,241</b>	<b>967</b>	-	-	<b>1,61,954</b>
<b>Less: Allowance for credit impaired</b>	-	-	-	967	-	-	967
<b>Total</b>	<b>36,300</b>	<b>1,13,447</b>	<b>11,241</b>	-	-	-	<b>1,60,987</b>

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**Notes to the financial statements for the year ended March 31, 2026**

**12(a) Cash and cash equivalents**

	March 31, 2026	March 31, 2025
Balances with banks:		
- in current accounts	-	-
- Deposits with original maturity of less than three months	1,072	291
<b>Total</b>	<b>1,072</b>	<b>291</b>

**Changes in liabilities arising from financing activities**

Particulars	March 31, 2025	Cash Flow	Non Cash Items*	March 31, 2026
Non current borrowings (including current maturities of long term borrowings)	-	-	-	-
Current borrowings	56,879	(80,242)	-	-23,362
Loan from related party	4,92,000	(20,000)	-	4,72,000
Current and non current lease liabilities	7,141	(10,422)	43,683	40,402
<b>Total liabilities from financing activities</b>	<b>5,56,020</b>	<b>(1,10,664)</b>	<b>43,683</b>	<b>4,89,040</b>

Particulars	March 31, 2024	Cash Flow	Non Cash Items*	March 31, 2025
Non current borrowings (including current maturities of long term borrowings)	-	-	-	-
Current borrowings	-	56,879	-	56,879
Loan from related party	2,95,000	1,97,000	-	4,92,000
Current and non current lease liabilities	12,039	(7,946)	3,048	7,141
<b>Total liabilities from financing activities</b>	<b>3,07,039</b>	<b>2,45,933</b>	<b>3,048</b>	<b>5,56,020</b>

\*Non cash items include new leases taken, termination of lease contracts or interest in case of lease liabilities.

**12(b) Other Bank balances**

	March 31, 2026	March 31, 2025
Balances with banks:		
Deposits with a maturity of more than 3 months but less than 12 months	443	997
<b>Total</b>	<b>443</b>	<b>997</b>

**13 Current tax assets/(liabilities) (net)**

	March 31, 2026	March 31, 2025
<b>Opening balance</b>	160	1,326
Add: Taxes paid		
-Tax deducted at source for previous year	651	4
-Tax deducted at source for current year	2,023	160
Less: Refund received	(811)	(1,330)
<b>Closing balance</b>	<b>2,023</b>	<b>160</b>

**14 Other current assets**

(Unsecured, considered good, unless otherwise stated)

	March 31, 2026	March 31, 2025
Prepaid expenses	931	394
Balances with government authorities	64,014	77,779
Export incentives receivables	4,903	2,805
Advance to employee	63	12
Advance to suppliers		
- Related parties	162	4,852
- Others	13,718	413
Advances recoverable	-	-
Other receivables	3,359	3,047
<b>Total</b>	<b>87,150</b>	<b>89,302</b>

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**Notes to the financial statements for the year ended March 31, 2026**

**15 Equity share capital**

**Authorised:**

75,00,00,000 (previous year: 6,00,00,000) equity shares of INR 10 each (previous year: INR 10 each)

**Issued, Subscribed and Paid up:**

40,89,10,533 (previous year: 5,25,50,000) equity shares of INR 10 each (previous year: INR 10 each), fully paid-up

**Total**

	March 31, 2026	March 31, 2025
Authorised:		
75,00,00,000 (previous year: 6,00,00,000) equity shares of INR 10 each (previous year: INR 10 each)	75,00,000	6,00,000
Issued, Subscribed and Paid up:		
40,89,10,533 (previous year: 5,25,50,000) equity shares of INR 10 each (previous year: INR 10 each), fully paid-up	40,89,105	5,25,500
<b>Total</b>	<b>40,89,105</b>	<b>5,25,500</b>

**a. Movement in equity share capital**

**As at March 31, 2024**

Shares issued during the year

**As at March 31, 2025**

Shares issued during the year

**As at March 31, 2026**

	Numbers	Amount
As at March 31, 2024	5,25,50,000	5,25,500
Shares issued during the year	-	-
As at March 31, 2025	5,25,50,000	5,25,500
Shares issued during the year	35,63,60,533	35,63,605
As at March 31, 2026	<b>40,89,10,533</b>	<b>40,89,105</b>

**b. Rights, preferences and restrictions attached to shares**

**Equity Shares:**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Disclosure of shareholding of promoters and percentage of change during the year**

Promoters	Equity shares held by promoter as at 31 March 2026		Equity shares held by promoter as at 31 March 2025		% Change during the year
	Numbers	% of total shares	Numbers	% of total shares	
Samvardhana Motherson International Limited* (SAMIL)	40,89,10,533	100.00%	5,25,50,000	100.00%	-
	40,89,10,533	100.00%	5,25,50,000	100.00%	-
	Equity shares held by promoter as at 31 March 2025		Equity shares held by promoter as at 31 March 2024		% Change during the year
	Numbers	% of total shares	Numbers	% of total shares	
Samvardhana Motherson International Limited* (SAMIL)	5,25,50,000	100.00%	5,25,50,000	100.00%	-
	5,25,50,000	100.00%	5,25,50,000	100.00%	-

\*including 600 shares held by nominees

d. (i) On 23 February 2024, the Company allotted 2,80,00,000 equity shares of INR 10/- each at face value to SAMIL by way of a rights issue.

(ii) On 29 October 2025, the company allotted 2,00,00,000 equity shares of INR 10/- each at face value to SAMIL by way of a rights issue.

(iii) On March 27, 2026, the Company has entered into a Share Purchase Agreement ("SPA") for acquisition of 25,86,873 (Twenty Five Lakh Eighty Six Thousand Eight Hundred Seventy Three) equity shares of INR 10/- each fully paid up at premium of INR 1,290.26/- each of CIM Tools Private Limited which are legally and beneficially held by the Seller (Samvardhana Motherson International Limited ("The Holding Company") and its nominees). The consideration of INR 336,36,05,330 for the investment has been discharged by the Company through the issuance and allotment of 33,63,60,533 equity shares of INR 10/- each at face value to the Seller, in accordance with the terms and conditions of the SPA.

**16 Reserves and surplus**

**Retained earnings**

**Total reserves and surplus**

	March 31, 2026	March 31, 2025
Retained earnings	(8,42,043)	(7,18,694)
<b>Total reserves and surplus</b>	<b>(8,42,043)</b>	<b>(7,18,694)</b>

**Retained earnings**

Opening balance

Profit/ (loss) for the year

Fees for increase in authorized share capital

Gain/(loss) on remeasurements of post-employment benefit obligations

**Closing balance**

	March 31, 2026	March 31, 2025
Opening balance	(7,18,694)	(6,39,292)
Profit/ (loss) for the year	(1,11,867)	(79,695)
Fees for increase in authorized share capital	(12,527)	-
Gain/(loss) on remeasurements of post-employment benefit obligations	1,045	293
<b>Closing balance</b>	<b>(8,42,043)</b>	<b>(7,18,694)</b>



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**Notes to the financial statements for the year ended March 31, 2026**

**(vi) Risk exposure**

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

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

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

**(c) Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

**(vii) Defined benefit liability and employer contributions**

Weighted average duration of the defined benefit obligation is 16.70 years (March 31, 2025: 16.63 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2026</b>					
Defined benefit obligation (gratuity)	38	906	381	2,368	3,693
<b>March 31, 2025</b>					
Defined benefit obligation (gratuity)	100	115	898	4,649	5,762

**B. Defined Contribution Schemes**

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee state insurance (ESI) and National Pension Fund (for employees who opted NPS scheme) for the benefit of the employees.

Amount recognised in the Statement of Profit and Loss is as follows:

	March 31, 2026	March 31, 2025
Provident fund paid to the authorities	4,183	3,494
Employee state insurance paid to the authorities	19	75
National Pension Scheme	646	729
	<b>4,848</b>	<b>4,298</b>

**19(a) Long term borrowings**

**Unsecured**

Loan from related parties<sup>1</sup>

**Total**

	March 31, 2026	March 31, 2025
	Non - current	Non - current
	1,20,000	2,62,000
	<b>1,20,000</b>	<b>2,62,000</b>

**1. Loan from related parties**

**(a) Principal terms and conditions of loan from SMR Automotive Systems India Limited**

**Sanctioned amount:** INR 120,000 thousand for operational purpose

**Rate of interest:** 8.25% p.a. (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto March 30, 2029. The Lender and the Borrower both have right for prepayment, as per mutual consent, either partially or fully by giving five business days' notice in advance without any prepayment charges.

**(b) Principal terms and conditions of loan from Rollon Hydraulics Private Limited**

**Sanctioned amount:** INR 2,50,000 thousand for repayment of term loan from Tata Capital Financial Services Limited for FY 23-24.

**Rate of interest:** 9.50% for Apr'24 to Feb'25 and 9.25% for Mar'25 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan would be three years from the date of first tranche (Feb 20, 2024). The Lender and the Borrower both have right for prepayment, as per mutual consent, either partially or fully by giving five business days' notice in advance without any prepayment charges

Entire loan, along with the related interest, was fully repaid during the year i.e. on September 10, 2025.

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**Notes to the financial statements for the year ended March 31, 2026**

**19(b) Short term borrowings**

Current maturities of long term borrowings:

-From related parties (refer note 19(a))

Short term borrowings

-From related parties<sup>2</sup>

**Secured**

Overdraft repayable on demand- from bank<sup>3</sup>

	March 31, 2026	March 31, 2025
-From related parties (refer note 19(a))	2,62,000	20,000
Short term borrowings		
-From related parties <sup>2</sup>	90,000	2,10,000
<b>Secured</b>		
Overdraft repayable on demand- from bank <sup>3</sup>	16,148	96,389
	<b>3,68,148</b>	<b>3,26,389</b>

**2. Loan from related parties**

**(a) Principal terms and conditions of loan from Motherson Techno Tools Limited**

**Sanctioned amount:** INR 90,000 thousand for loan repayment

**Rate of interest:** 8.25% p.a.p.m. till Mar'26 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto September 29, 2029. The Lender and the Borrower both have right for payable on demand or prepayment, either partially or fully by giving seven business days' notice in advance.

**(b) Principal terms and conditions of loan from SMR Automotive Systems India Limited**

**Sanctioned amount:** INR 45,000 thousand for repayment of term loan from Axis Bank Limited for FY 23-24.

**Rate of interest:** 9.50% for Apr'24 to Feb'25, 9.25% for Mar'25, and 8.25% for Mar'26 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The Lender and the Borrower both have right for prepayment, as per mutual consent, either partially or fully by giving five

Quarterly repayment as per agreed schedule as below:-

Repayment Date	Amount in (INR thousand)
30-Jun-24	2,500
30-Sep-24	2,500
31-Dec-24	4,000
31-Mar-25	4,000
30-Jun-25	4,000
30-Sep-25	4,000
31-Dec-25	6,000
31-Mar-26	6,000
30-Jun-26	6,000
30-Sep-26	6,000
<b>Total</b>	<b>45,000</b>

**(c) Principal terms and conditions of loan from Motherson Techno Tools Limited**

**Sanctioned amount:** INR 250,000 thousand for loan repayment

**Rate of interest:** 8.25% p.a.p.m. till Mar'26 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto February 19, 2027. The Lender and the Borrower both have right for payable on demand or prepayment, either partially or fully by giving seven business days' notice in advance.

**(d) Principal terms and conditions of loan from SMR Automotive Systems India Limited**

**Sanctioned amount:** INR 70,000 thousand for operational purpose

**Rate of interest:** 9.50% p.a. till Feb'25 and 9.25% for Mar'25 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto 1 year from disbursement date (October 29, 2024). The Lender and the Borrower both have right for prepayment, as per mutual consent, either partially or fully by giving five business days' notice in advance without any prepayment charges.

Entire loan, along with the related interest, was fully repaid during the year i.e. on October 29, 2025.

**(e) Principal terms and conditions of loan from Motherson Auto Solutions Limited**

**Sanctioned amount:** INR 70,000 thousand for loan repayment

**Rate of interest:** 9.50% p.a. till Feb'25, 9.25% for Mar'25, 9.00% for Jun'25 and 8.50% for Aug'25 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto three month from tranche. (January 30, 2025). The Lender and the Borrower both have right for prepayment, as per mutual consent, either partially or fully by giving five business days' notice in advance without any prepayment charges. Entire loan, along with the related interest, was fully repaid during the year i.e. on August 05, 2025.

**(f) Principal terms and conditions of loan from Motherson Auto Solutions Limited**

**Sanctioned amount:** INR 70,000 thousand for loan repayment

**Rate of interest:** 9.50% p.a. till Feb'25, 9.25% for Mar'25, 9.00% for Jun'25 and 8.50% for Oct'25 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto 1 year from tranche. (January 30, 2025). The Lender and the Borrower both have right for prepayment, as per mutual consent, either partially or fully by giving five business days' notice in advance without any prepayment charges.

Entire loan, along with the related interest, was fully repaid during the year i.e. on October 31, 2025.

**(g) Principal terms and conditions of loan from SMR Automotive Systems India Limited**

**Sanctioned amount:** INR 170,000 thousand for operational purpose. The loan was disbursed in one or more instalments in accordance with the terms mutually agreed between the parties.

Tranche date	Amount in (INR Thousand)
05-Aug-25	1,30,000
20-Aug-25	20,000
15-Sep-25	20,000
<b>Total</b>	<b>1,70,000</b>

**Rate of interest:** 8.50% p.a. till Dec'25 and 8.25% for Jan'26 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto January 31, 2026. The Borrower may prepay the whole or part of the loan together with accrued interest before the maturity date without any penalty by giving a notice of at least five business days.

Entire loan, along with the related interest, was fully repaid during the year i.e. on January 30, 2026

**(h) Principal terms and conditions of loan from Samvardhana Motherson International Limited**

**Sanctioned amount:** INR 100,000 thousand for operational purpose. The loan was disbursed in one or more instalments in accordance with the terms mutually agreed between the parties.

Tranche date	Amount in (INR Thousand)
23-Sep-25	60,000
12-Feb-26	40,000
<b>Total</b>	<b>1,00,000</b>

**Rate of interest:** 8.50% p.a. till Dec'25 and 8.25% for Mar'26 (Repo rate plus Margin 3% p.a.) on monthly basis.

**Repayment:** The tenor of the loan for a term upto January 31, 2026. The Borrower may prepay the whole or part of the loan together with accrued interest before the maturity date without any penalty by giving a notice of at least five business days.

Entire loan, along with the related interest, was fully repaid during the year i.e. on March 29, 2026

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

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**Notes to the financial statements for the year ended March 31, 2026**

**3. Principal terms and conditions of overdraft from Axis Bank Limited**

**Sanctioned amount** : INR 1,00,000 thousand for cash credit limit to meet working capital requirement

**Rate of interest** : Repo rate + 3.50% p.a. payable at monthly intervals

**Repayment** : On demand

**Security** :

**As at March 31, 2025**

- **Guarantors**: Corporate Guarantee of Samvardhana Motherson International Limited.

**As at December 31, 2025**

- **Guarantors**: Corporate Guarantee of Samvardhana Motherson International Limited.

**Summary of credit facilities from Axis Bank Limited.**

Facility	Sanctioned		Utilised	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
<b>Working capital (WC)</b>				
Overdraft (OD)	1,00,000	1,00,000	16,148	96,389
Bank guarantee (sub-limit of OD)	(20,000)	(20,000)	-	-
<b>Sub total working capital</b>	<b>1,00,000</b>	<b>1,00,000</b>	-	-
<b>Term loan</b>	-	-	-	-
<b>Total credit limits</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>16,148</b>	<b>96,389</b>

**20 Trade payables**

	March 31, 2026	March 31, 2025
Total outstanding dues of micro and small enterprises		
-Related parties (refer Note 39)	168	-
-Others	252	1,362
Total outstanding dues of creditors other than micro and small enterprises:		
-Related parties (refer Note 39)	1,18,861	35,873
-Others	67,431	30,248
<b>Total</b>	<b>1,86,712</b>	<b>67,483</b>

**As at March 31, 2026**

Particulars	Not due	Less than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
MSME*	246	174	-	-	-	-	420
Others	83,792	50,502	51,186	385	427	-	1,86,292
Disputed Dues MSME*	-	-	-	-	-	-	-
Disputed Dues Others	-	-	-	-	-	-	-
<b>Total</b>	<b>84,038</b>	<b>50,676</b>	<b>51,186</b>	<b>385</b>	<b>427</b>	-	<b>1,86,712</b>

\*Micro and Small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

**As at March 31, 2025**

Particulars	Not due	Less than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
MSME*	184	1,178	-	-	-	-	1,362
Others	3,845	57,708	2,672	1,496	18	381	66,121
Disputed Dues MSME*	-	-	-	-	-	-	-
Disputed Dues Others	-	-	-	-	-	-	-
<b>Total</b>	<b>4,029</b>	<b>58,886</b>	<b>2,672</b>	<b>1,496</b>	<b>18</b>	<b>381</b>	<b>67,483</b>

\*Micro and Small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

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(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

**21 Other financial liabilities (current)**

Interest accrued on loans from related parties  
Employee benefits payable  
Advance recovery from employees  
**Total**

March 31, 2026	March 31, 2025
49	-
3,811	2,918
343	297
<b>4,203</b>	<b>3,215</b>

**22 Other current liabilities**

Advance from customers  
Statutory dues  
**Total**

March 31, 2026	March 31, 2025
678	4,859
4,851	1,842
<b>5,529</b>	<b>6,700</b>

**23(a) Revenue from contract with customers**

**Revenue from sales of products**

Finished goods  
-Within India  
-Outside India  
Traded goods  
-Within India  
-Outside India  
**Total**

For the year ended March 31, 2026	For the year ended March 31, 2025
591	23,884
4,55,047	2,95,766
1,81,132	56,534
1,509	-
<b>6,38,279</b>	<b>3,76,184</b>

**23(b) Other operating revenue:**

Duty draw back  
Recovery of production facility cost  
Scrap sale  
Lease liabilities written back to the extent no longer required (refer note 5)  
Miscellaneous Income  
**Total**

6,627	1,818
-	4,232
61	43
	1,823
11	2
<b>6,699</b>	<b>7,918</b>

**Total revenue from operations**

<b>6,44,978</b>	<b>3,84,102</b>
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**24 Other income**

Interest Income  
-Fixed deposits with bank  
-From financial assets at amortized cost  
-Interest on Income tax refund  
-Interest on home loan  
Exchange fluctuation (net)  
**Total**

For the year ended March 31, 2026	For the year ended March 31, 2025
146	152
88	32
45	53
13	30
10,546	2,204
<b>10,838</b>	<b>2,471</b>

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**Notes to the financial statements for the year ended March 31, 2026**

	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>25 Cost of materials consumed</b>		
Opening stock of raw materials	94,837	1,29,287
Add : Purchases of raw materials	3,11,723	2,25,284
Less: Closing stock of raw materials	90,789	94,837
<b>Total</b>	<b>3,15,771</b>	<b>2,59,734</b>
<b>26(a) Change in inventory of finished goods and work in progress</b>		
<b>(Increase)/ decrease in finished goods and work in progress</b>		
Stock at the beginning of the year:		
Finished goods	25,750	8,697
Work in progress	25,278	6,368
Goods in Transit	-	-
<b>Total A</b>	<b>51,028</b>	<b>15,065</b>
Stock at the end of the year:		
Finished goods	3,871	25,750
Work in progress	24,120	25,278
Goods in Transit	1,508	-
<b>Total B</b>	<b>29,499</b>	<b>51,028</b>
<b>(Increase)/ decrease in inventory of finished goods and work in progress (A-B)</b>	<b>21,529</b>	<b>(35,963)</b>
<b>26(b) Change in inventory of stock in trade</b>		
<b>(Increase)/ decrease in stock</b>		
Stock at the beginning of the year:	-	-
Stock at the end of the year:	-	-
<b>Total</b>	-	-
<b>27 Employee benefits expense</b>		
Salary , wages and bonus	80,569	66,140
Contribution to provident and other fund	4,848	4,298
Gratuity (refer note 18)	1,884	1,711
Staff welfare and other expenses	3,635	2,769
<b>Total</b>	<b>90,936</b>	<b>74,918</b>

On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course.

The four codes prescribe an inclusive definition of the term 'wages', which among other matters is relevant for determination of postemployment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers' leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave.

Pursuant to the above, the Company has re-assessed its employee benefits obligation for gratuity and leave encashment; based on an actuarial valuation as at 31 March 2026, additional liability amounting to INR 128.13 thousand towards gratuity has been recognised. Considering that it is emerging topic and the finalisation of Central/State Rules is still pending, the Company will continue monitoring changes and provide appropriate accounting effect as required based on future developments.

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(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

	<u>For the year ended</u> <u>March 31, 2026</u>	<u>For the year ended</u> <u>March 31, 2025</u>
<b>28 Finance costs</b>		
Interest on:		
Lease liabilities	2,908	1,198
Overdraft/Cash Credit	5,969	7,804
Loan from related parties	43,102	35,908
<b>Total</b>	<b>51,979</b>	<b>44,910</b>
<b>29 Depreciation and amortization expense</b>		
Depreciation on property, plant and equipment	13,144	15,594
Amortization on intangible assets	1,729	1,984
Depreciation on right-of-use assets	7,415	3,575
<b>Total</b>	<b>22,288</b>	<b>21,153</b>
<b>30 Other expenses</b>		
Legal and professional expenses	9,101	7,913
Travelling expense	8,154	7,834
Security expense	2,047	1,884
Electricity, water and fuel	4,449	5,022
Rates and taxes	11,917	308
Guest house expenses	695	1,227
Computer & software expenses	7,596	6,282
Consumable tools	-	-
Freight outward	6,787	5,604
Repairs and maintenance:		
-Building	161	1,836
-Machine	5,854	2,378
-Others	3,603	1,883
Business promotion	1,525	310
Insurance	1,376	1,566
Lease rent considered as short term		
-Premises	-	80
Lease rent considered as low value		
-Equipment	319	129
Amortisation cost of lease rent premises	91	31
Donation	19	17
Payment to auditors (Refer note (a) below)	-	95
Printing and stationery	560	1,179
Bank charges	456	132
Communication expense	138	208
Commission expense	1,000	548
Provision against doubtful receivables	27,523	1,106
Office expenses	285	513
<b>Total</b>	<b>93,656</b>	<b>48,085</b>
<b>(a): Payment to auditors:</b>		
As auditor:		
Audit fees	125	75
Limited audit review	100	20
<b>Total</b>	<b>225</b>	<b>95</b>

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**Notes to the financial statements for the year ended March 31, 2026**

**31(a) Income tax expense**

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
Deferred tax (Refer note 8)	-	-
Decrease/(increase) in deferred tax assets (net)	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>-</b>	<b>-</b>
Total income tax expense	-	-

**31(b) Reconciliation of tax expense with the effective tax rate**

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/ (loss) before income tax expense	(1,11,867)	(79,695)
<b>Calculated tax at applicable income tax rate*</b>	26.00%	26.00%
<b>Tax calculated at applicable rate</b>	<b>-</b>	<b>-</b>
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Temporary difference	(29,085)	(20,721)
Permanent difference	-	-
Unrecognised deferred tax assets	2,780	5
Adjustments for current tax of prior periods	26,172	21,022
<b>Income tax expense</b>	<b>136</b>	<b>(306)</b>
	-	-

\* Income tax expense recognised in profit and loss is nil as the company does not have taxable income.

**32 Earnings/ (loss) per share**

	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>a) Basic</b>		
Net profit/ (loss) after tax available for equity shareholders	(1,10,822)	(79,402)
Weighted average number of equity shares used to compute basic earnings per share	6,46,74,499	5,25,00,000
<b>Basic earnings/ (loss) per share (absolute figures)</b>	<b>(1.71)</b>	<b>(1.51)</b>

\* The Company does not have any potential equity shares and thus, there is no diluted EPS

**Notes to the financial statements for the year ended March 31, 2026****33 Fair value measurements****i. Financial instruments by category**

	March 31, 2026			March 31, 2025		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Trade receivables*	-	-	2,82,357	-	-	1,60,987
Cash and cash equivalents*	-	-	1,072	-	-	291
Bank balance other than cash and cash equivalent*	-	-	443	-	-	997
Other financial assets*	-	-	116	-	-	584
<b>Total financial assets</b>	-	-	<b>2,83,988</b>	-	-	<b>1,62,859</b>
<b>Financial Liabilities</b>						
Borrowings*	-	-	3,68,148	-	-	3,26,389
Lease liability*	-	-	7,743	-	-	3,767
Trade payable*	-	-	1,86,712	-	-	67,483
Other financial liabilities*	-	-	4,203	-	-	3,215
<b>Total financial liabilities</b>	-	-	<b>5,66,806</b>	-	-	<b>4,00,854</b>

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

\* The carrying amounts of trade receivables, cash and bank balances, current security deposits, trade payables and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical financial assets or financial 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.

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

	March 31, 2026		March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Other financial assets	2,418	2,418	1,477	1,477
<b>Total</b>	<b>2,418</b>	<b>2,418</b>	<b>1,477</b>	<b>1,477</b>
<b>Financial Liabilities</b>				
Borrowings	1,20,000	1,20,000	2,62,000	2,62,000
Lease liability	32,659	32,659	3,374	3,374
	<b>1,52,659</b>	<b>1,52,659</b>	<b>2,65,374</b>	<b>2,65,374</b>

\* Fair value of financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount i.e. amortized cost value.

**iii Valuation technique used to determine fair value**

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

**34 Financial risk management**

The Company has been set up to engage in manufacturing and trading of aerospace , defence and security sector and is exposed to various market risks, credit risk and liquidity risk. The Company's centralised management structure with the main activities make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

**Market risk:**

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market price/ rate. Market risk comprises: Price risk, foreign currency risk, Interest rate risk , sensitivity analysis, Credit risk and Liquidity risk.

**A Price risk:**

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

The key raw material for the Company's business is connectors, wire, electronics components and its sub systems and HVAC . The Company has arrangements with its major customers for passing on the price impact.

The Company is regularly taking initiatives like VA-VE (value addition, value engineering ) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts , the Company has back to back arrangements for cost savings with its suppliers.

**B Foreign currency risk:**

Foreign currency risk is the risk that the future value of cash flow of an exposure will fluctuate because of change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The company does not have any derivative instruments outstanding at the end of reporting period and further unhedged foreign currency exposure is given as follows:

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

Currency	March 31, 2026		March 31, 2025	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
USD : INR - Trade Payables	337	29,231	266	22,718
USD : INR - Trade Receivables	(2,127)	(1,90,830)	(1,549)	(1,32,412)
EUR : INR - Trade Payables	28	2,843	13	1,197
EUR : INR - Trade Receivables	-	-	-	-
GBP : INR - Trade Payables	-	-	0.16	18
GBP : INR - Trade Receivables	-	-	-	-

**C Interest rate risk:**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term and short term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

**(i) Interest rate risk exposure**

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

	March 31, 2026	March 31, 2025
Variable rate borrowings*	4,88,148	5,88,389
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>4,88,148</b>	<b>5,88,389</b>

\*Interest rate shall be floating for the entire loan tenure.

An analysis by maturities is provided in Note E (i) Maturities of financial liabilities below.

**(ii) Sensitivity analysis**

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

	Impact on profit after tax	
	March 31, 2026	March 31, 2025
Interest rates-increase by 50 basis points*	2,441	2,942
Interest rates-decrease by 50 basis points*	(2,441)	(2,942)

\* Holding all other variables constant

**D Credit risk:**

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

The company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian defence manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. Primary banking institutions are major Indian Banks. No impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

**E Liquidity risk:**

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

**(i) Maturities of financial liabilities**

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

Period ended March 31, 2026	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	3,68,148	1,20,000	-	4,88,148
Lease liabilities	7,743	32,659	-	40,401
Trade payables	1,86,712	-	-	1,86,712
Other financial liabilities	4,203	-	-	4,203
<b>Total non-derivative liabilities</b>	<b>5,66,806</b>	<b>1,52,659</b>	<b>-</b>	<b>7,19,464</b>
<b>Year ended March 31, 2025</b>	<b>Upto 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings	3,26,389	2,62,000	-	5,88,389
Lease liabilities	3,767	3,374	-	7,141
Trade payables	67,483	-	-	67,483
Other financial liabilities	3,215	-	-	3,215
<b>Total non-derivative liabilities</b>	<b>4,00,854</b>	<b>2,65,374</b>	<b>-</b>	<b>6,66,228</b>

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**Notes to the financial statements for the year ended March 31, 2026****35 Capital management****Risk management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings including lease liabilities net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

Currently the Company's NET EBITDA ratio is negative due to business losses as the Company is in its initial stages. The Net Debt to EBITDA ratios were as follows:

	March 31, 2026	March 31, 2025
Net Debt	5,27,033	5,94,242
EBITDA	(37,847)	(13,846)
<b>Net Debt to EBITDA</b>	<b>(13.93)</b>	<b>(42.92)</b>

**36 Segment Information:****Description of segments and principal activities**

The objects of the company is to engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing / deploying defence and other technologies, electronics, computer software, systems integration and related services including aerospace, defence and cyber security sector and to purchase and sell equipment, technology and property related to its business.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Officer "COO" of the Company. The COO is responsible for allocating resources and assessing performance of the operating segments. The Company operates through a single segment, hence there are no reportable segments as per Ind AS 108 "Operating Segments".

**A. Information about geographical areas:**

The following information discloses revenue from external customers based on geographical areas:

**i) Revenue from external customers**

	For the year ended March 31, 2026	For the year ended March 31, 2025
Within India	1,81,723	80,418
Outside India	4,56,556	2,95,766
<b>Total</b>	<b>6,38,279</b>	<b>3,76,184</b>

**ii) Segment Assets**

Total of non-current assets other than financial instruments.

	March 31, 2026	March 31, 2025
Within India	1,18,522	86,186
Outside India	-	-
<b>Total</b>	<b>1,18,522</b>	<b>86,186</b>

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

	March 31, 2026	March 31, 2025
Customer 1	3,12,920	2,06,382
Customer 2	1,35,787	60,975
Customer 3	10,847	-
Customer 4	21,756	-
Customer 5	57,107	-
<b>Total</b>	<b>5,38,417</b>	<b>2,67,357</b>

**37 Capital and other commitments**

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

**Property, plant and equipment**

	March 31, 2026	March 31, 2025
Estimated value of contracts in capital account (net of advances, March 31, 2026: Nil; March 31, 2025: Nil)	3,537	403
<b>Total</b>	<b>3,537</b>	<b>403</b>

**38 Due to micro and small enterprises**

The Company has written to its suppliers to intimate the status as micro and small enterprise in terms of "Micro, Small and Medium Enterprises Development Act 2006" and to provide a copy of their registration certificate. The Company has shown below dues if any to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and a separate disclosure of the amount due to micro and small enterprises at the end of the year is given in Trade Payables. The disclosures pursuant to the said MSMED Act is as follows:

Particulars	March 31, 2026	March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	420	1,121
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, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
<b>Total</b>	<b>420</b>	<b>1,121</b>

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**39 Related party disclosures**

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

**A. Entities having control over the entity**

Samvardhana Motherson International Limited

**B. Subsidiary (refer Note 6)**

CIM Tools Private Limited (Subsidiary effective March 27, 2026; previously fellow subsidiary)

**C. Fellow subsidiaries (with whom transaction has been taken place)**

Samvardhana Motherson Global Carriers Limited

Samvardhana Motherson Innovative Solutions Limited (SMISL)

Motherson Technology Services Limited (formerly MothersonSumi Infotech & Designs Limited)

Samvardhana Motherson Health Solutions Limited

Rollon Hydraulics Private Limited

SMR Automotive Systems India Limited

Motherson Auto Solutions Limited (through SMISL)

Samvardhana Motherson Global (FZE)

Motherson Techno Tools Limited (Subsidiary through SMISL)

Motherson Air Travel Agencies Limited

MSSL (GB) Limited

MSSL GmbH

Fritzmeier Motherson Cabin Engineering Pvt. Ltd.

Kabel-Technik-Polska Sp. z o.o.

MSSL Wiring System Inc., USA

Motherson Aerospace Holding Company SAS

**D. Joint ventures and associates**

Motherson Sumi Wiring India Limited

Spheros Motherson Thermal System Limited

Motherson Bergstrom HVAC Solutions Private Limited

Marelli Motherson Auto Suspension Parts Private Limited

**E. Board of Directors**

Mr. Laksh Vaaman Sehgal

Mr. Ramesh Dhar

Mr. Virender Chand Katoch

Mr. Pankaj Mital

Mr. Kunal Bajaj

**F. Key Managerial Personnel (KMP)**

Mr. Paramajeet Singh (COO)

Mr. Jaspal Singh Tandon (CFO) (appointed as CFO effective August 22, 2025)

Mr. Brajesh Chhabra (CFO) (till August 22, 2025)

Mr. Bhawani Shanker (C S) (w.e.f. April 01, 2025)

**G. Relatives of Directors**

Mr. Vivek Chaand Sehgal

Mrs. Renu Sehgal

Ms. Vidhi Sehgal

Mrs. Samridhi Sehgal

Master Siddh Vaasav Sehgal

Master Ganan Yuvaan Sehgal

Master Kushaan Samarth Sehgal

**H. Parties in which Directors/KMP has significant influence (with whom transaction has been taken place)**

Systematic Conscom Limited

Motherson Auto Limited

Motherson Lease Solution Limited

## II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 39 (l) above:

## (a) Key management personnel compensation

	March 31, 2026	March 31, 2025
Short-term employee benefits	20,903	15,775
Post-employment benefits	4,074	3,367
Long-term employee benefits	3,326	1,498
<b>Total compensation</b>	<b>28,303</b>	<b>20,640</b>

## (b) Transactions with related parties

Sr. No.	Particulars	Entities having control over the entity		Subsidiaries		Joint ventures and associates		Parties in which Directors/KMP has significant influence	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1	Purchase of services including reimbursement	11,818	13,153	24,406	14,318	-	-	1,168	-
2	Purchase of goods	11,246	16,657	1,27,377	-	26,938	37,768	-	-
3	Purchase of fixed assets	-	-	2,027	1,056	-	200	3,361	3,123
4	Operating lease* -Premises	2,351	5,778	-	-	-	-	146	-
5	Repair & Maintenance	-	-	463	1,982	-	-	1,488	-
6	Interest on loan	3,007	3,319	40,094	32,590	-	-	-	-
7	Sale of service	-	-	-	-	-	-	-	-

## (c) Outstanding balances arising from sales / purchases of goods and services

Sr. No.	Particulars	Entities having control over the entity		Subsidiaries		Joint ventures and associates		Parties in which Directors/KMP has significant influence	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1	Creditors for capital goods	-	-	-	-	-	-	-	-
2	Trade payables	7,155	12,395	1,10,754	4,951	949	11,863	168	1,700
3	Advances given	647	4,853	-	-	-	-	-	-
4	Other receivables	-	3,047	-	-	-	-	-	-

## (d) Loans &amp; advances to / from related parties

Sr. No.	Particulars	Entities having control over the entity		subsidiaries		Joint ventures and associates		Parties in which Directors/KMP has significant influence	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1	Loans*								
	Opening balance	-	-	4,92,000	2,95,000	-	-	-	-
	Taken	1,00,000	70,000	6,30,000	2,10,000	-	-	-	-
	Repaid	(1,00,000)	(70,000)	(6,50,000)	(13,000)	-	-	-	-
	Closing balance	-	-	4,72,000	4,92,000	-	-	-	-
2	Advances given*								
	Opening balance	-	-	-	-	-	-	-	-
	Given	-	-	-	-	-	-	-	-
	Refund	-	-	-	-	-	-	-	-
	Closing balance	-	-	-	-	-	-	-	-
3	Interest on Loan								
	Opening balance	-	-	-	2,511	-	-	-	-
	Interest accrued	3,007	3,319	40,094	32,590	-	-	-	-
	Interest paid	(3,007)	(3,319)	(40,046)	(35,100)	-	-	-	-
	End of the year	-	-	49	-	-	-	-	-

## (e) Corporate guarantee from related parties against credit facilities availed from banks / financial institutions

Sr. No.	Particulars	Entities having control over the entity		Fellow subsidiaries		Joint ventures and associates		Parties in which Directors/KMP has significant influence	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
1	Credit facilities against which corporate guarantee has been								
	Beginning of the year	1,00,000	40,000	-	-	-	-	-	-
	Received	-	60,000	-	-	-	-	-	-
	Adjusted	-	-	-	-	-	-	-	-
	End of the year	1,00,000	1,00,000	-	-	-	-	-	-

\* Represents transaction based on the contractual terms with the parties and without considering the related Ind AS adjustments.

\*\* Refer Note 19 for terms and conditions of loans from related parties.

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**Notes to the financial statements for the year ended March 31, 2026****40 Other disclosures****A. Contingent liabilities:**

	March 31, 2026	March 31, 2025
a) Performance bank guarantees	4,751	1,877
<b>Total</b>	<b>4,751</b>	<b>1,877</b>

**B. Disclosure under Ind AS 115**

Impact of application of Ind AS 115 Revenue from contracts from customers.

Further disclosures given in relation to contract with customers are as under:

**i. Movement of provision**

	March 31, 2026	March 31, 2025
<b>Opening Balance</b>	1,106	-
Less: Written back	-	-
Less: Utilized during the year	-	-
Add: Provided at the end of year	27,523	1,106
<b>Closing Balance</b>	<b>28,629</b>	<b>1,106</b>

**ii. Dissaggregation of revenue from contract with customers:**

Revenue by category	March 31, 2026	March 31, 2025
<b>Revenue by major product lines</b>		
Sale of products		
-Within India	1,81,723	80,418
-Outside India	4,56,556	2,95,766
<b>Total revenue from contract with customers</b>	<b>6,38,279</b>	<b>3,76,184</b>
<b>Timing of revenue recognition</b>		
At a point in time	6,38,279	3,76,184
Over time	-	-
<b>Total revenue from contract with customers</b>	<b>6,38,279</b>	<b>3,76,184</b>

**iv. Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	March 31, 2026	March 31, 2025
Receivables (Unconditional right to consideration)	2,82,357	1,60,987
Contract liabilities	678	4,859

**v. Revenue from contract with customers**

Revenue recognised from	March 31, 2026	March 31, 2025
Amount included in contract liabilities at the beginning of the year	4,181	1,465

**C. Disclosure under Ind AS 116 Leases****Company as a lessee**

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

The Company has leases for buildings and vehicles. These lease arrangements for buildings are for a period of 5 years and vehicles are for period up to 5 years. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for land/premises leases.

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

CIN: U29190DL2017PLC322331

(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026****Impact Assessment of Ind AS 116****(i) Reconciliation of Right-of-use asset**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Opening Balance	5,236	5,137
Add: Additions	40,774	4,067
Less: Deletions	-	-
Less: Amortisation of Right-of-use assets	(7,415)	(3,575)
Less: Adjustment for lease modification	-	(394)
	<b>38,595</b>	<b>5,236</b>

**(ii) Reconciliation of Lease liability**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Opening Balance	7,141	12,040
Add: Additions	40,774	4,067
Add: Interest expense	2,908	1,198
Less: Repayment of lease liability	(10,422)	(7,946)
Less: Deletions	-	(2,217)
	<b>40,402</b>	<b>7,141</b>

**(iii) Break-up of current and non-current lease liabilities**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Non current lease liabilities	32,659	3,374
Current lease liabilities	7,743	3,767
	<b>40,402</b>	<b>7,141</b>

**(iv) Impact on the statement of financial position [increase/(decrease)]**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Assets</b>		
Right - of - use assets	38,594	5,235
<b>Total</b>	<b>38,594</b>	<b>5,235</b>
<b>Liabilities</b>		
Lease liabilities	40,402	7,141
<b>Total</b>	<b>40,402</b>	<b>7,141</b>
<b>Net Impact on equity</b>	<b>(1,807)</b>	<b>(1,906)</b>

**(v) Impact on the statement of profit or loss [(Profit increase)/ Profit decrease]**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Depreciation on right-of-use assets	7,415	3,575
Interest on Lease liability	2,908	1,198
Lease rent derecognized	(10,422)	(7,946)
Lease liabilities written back to the extent no longer required (refer note 5)	-	(1,823)
	<b>(99)</b>	<b>(4,997)</b>

**(vi) Short-term and / or low value leases**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Lease rent paid		
- Premises	-	80
- Vehicles	-	-
- Equipment	319	129
	<b>319</b>	<b>209</b>

**(vii) Other disclosures**

a. Refer note 33 for maturity analysis of lease liabilities.

b. The effective interest rate for lease liabilities is 12% p.a.

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

**CIN: U29190DL2017PLC322331**

(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026**

**41 Ratio Analysis:-**

	<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>	<b>Variance</b>	<b>Reason of variances for more than 25%</b>
<b>a)</b>	Current Ratio	Current Assets	Current Liabilities	0.86 : 1	0.98 : 1	-12%	
<b>b)</b>	Debt-Equity Ratio	Debt	Share holder's equity	0.15 : 1	(3.05 : 1)	105%	Improved is attributable to the issue of 35,63,60,533 equity shares of INR 10 each during the year, resulting in an increase in share capital. (Refer note 15: Equity share capital)
<b>c)</b>	Debt Service Coverage Ratio	Earnings available to Debt service	Debt Service	(0.78 : 1)	(0.35 : 1)	-125%	Variance is due to higher operating losses during the year
<b>d)</b>	Return on Equity Ratio	Net profit after tax	Average shareholder's equity	-7%	43%	-117%	The ratio for the previous year is positive due to negative net worth (shareholders' equity) and losses during that year. Accordingly, the ratio is not comparable with the current year.
<b>e)</b>	Inventory turnover ratio	Cost of goods sold	Average inventories	3.82 : 1	3.74 : 1	2%	
<b>f)</b>	Trade Receivables turnover ratio	Revenue from contract with customers	Average trade Receivables	2.88 : 1	4.37 : 1	-34%	Primarily attributable to an increase in average trade receivables along with higher sales.
<b>g)</b>	Trade payable turnover ratio	Net credit purchases	Average Trade Payable	3.80 : 1	5.24 : 1	-27%	Decrease primarily due to increase in average trade payable
<b>h)</b>	Net capital turnover ratio	Revenue from contract with customers	Average Working Capital	(14.23 : 1)	(2.43 : 1)	-486%	Variance is combined effect of : a) Increase in sales as compared to previous year. b) Improvement in average working capital due to repayment of short borrowings.
<b>i)</b>	Net profit ratio	Profit after tax	Revenue from Operations	-17%	-21%	16%	
<b>j)</b>	Return on Capital employed	Earnings before interest and taxes	Average Capital Employed	-15%	-24%	39%	Variance due to Increase in average capital employed attributable to the issue of equity share capital
<b>k)</b>	Return on investment	Return on Investment	Investment	NA	NA	NA	

**SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**

CIN: U29190DL2017PLC322331

(All amounts in INR thousand, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2026****42 Assets hypothecated as security.**

The carrying amount of assets hypothecated as security by Axis bank for current and non-current borrowings are as follows:

	Notes	March 31, 2026	March 31, 2025
<b>Current:</b>			
<b>Financial assets</b>			
<b>First charge</b>			
i. Trade receivables	11	-	-
ii. Cash and cash equivalents	12(a)	-	-
iv. Other financial assets	7	-	-
<b>Non-financial assets</b>			
Inventories	10	-	-
Other current assets	14	-	-
<b>Total current assets hypothecated as security</b>		<u>-</u>	<u>-</u>
<b>Non Current:</b>			
<b>Second charge</b>			
Property, plant and equipment	3	-	-
<b>Total non-current assets hypothecated as security</b>		<u>-</u>	<u>-</u>
<b>Total assets hypothecated as security</b>		<u>-</u>	<u>-</u>

**Terms and conditions of security offered to Axis Bank Limited against credit facilities****As at March 31, 2026**

- **Guarantors:** Corporate Guarantee of Samvardhana Motherson International Limited.

**As at March 31, 2025**

- **Guarantors:** Corporate Guarantee of Samvardhana Motherson International Limited.

**43 Other Statutory Information**

(i) There are no proceedings that have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules thereunder.

(ii) There are no transactions with companies that are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the 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(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during 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 has not been declared as wilful defaulter by any bank or financial institutions or any other lender.

(ix) The Company has not revalued its Property, Plant and equipment (including Right-of-Use Assets) and intangible assets during the year.

(x) The Company does not own any immovable properties.

(xi) The Company does not have any holding in downstream companies, hence compliance with number of layers is not applicable.

**44** During the current year, the Company has used accounting 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 softwares.

However, the Company had used two accounting software systems for maintaining its books of account during the preceding financial year (i.e., FY 2024–25), both of which had the audit trail (edit log) feature. This feature operated throughout the year for all relevant transactions recorded in the software, except in the case of one accounting software, where the audit trail feature at the database table level was enabled with effect from February 27, 2025.

Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention.

45 Corresponding figures of previous year are regrouped, rearranged wherever necessary to confirm to the current year classification.

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

**For and on behalf of the board**

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

**Ramesh Dhar  
Director  
DIN: 00085046  
Place: Noida**

**Kunal Bajaj  
Director  
DIN: 03545731  
Place: Noida**

**Vipin Bali  
Partner  
M.No. 083436  
Place:  
Date:**

**Paramjeet Singh  
COO & Manager  
PAN: ABVPS3211R  
Place: Noida**

**Jaspal Singh Tandon  
CFO  
PAN: AACPT7399B  
Place: Noida**

**Bhawani Shanker  
Company Secretary  
PAN: FGJPS8492E  
Place: Noida**