

	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	460.04	446.07
Capital work-in-progress	3B	12.78	110.78
Right of use assets	4	185.51	219.59
Other intangible assets	5	1.50	0.55
Intangible Assets under development	5A	8.17	3.49
i. Other financial assets	6	34.27	31.20
Deferred tax assets (net)	17	160.96	-
Other non-current assets	7	20.76	25.32
<b>Total non-current assets</b>		<b>883.99</b>	<b>837.00</b>
<b>Current assets</b>			
Inventories	8	150.64	136.14
Financial assets			
i. Trade receivables	9	175.28	181.58
ii. Other financial assets	6	0.45	0.45
Current tax assets (net)	11	1.08	0.94
Other current assets	12	66.86	69.25
<b>Total current assets</b>		<b>394.31</b>	<b>388.36</b>
<b>Total assets</b>		<b>1,278.30</b>	<b>1,225.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	990.00	990.00
<b>Other equity</b>			
Reserves and surplus	14	(832.54)	(1,019.81)
<b>Total equity</b>		<b>157.46</b>	<b>(29.81)</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
i. Borrowings	15	324.50	366.00
ii. Lease liabilities		243.72	279.70
Employee benefit obligations	16	14.68	8.53
<b>Total non-current liabilities</b>		<b>582.90</b>	<b>654.23</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	18	297.77	279.29
ii. Lease liabilities		40.41	31.82
iii. Trade payables	19		
Total outstanding dues of micro and small enterprises		5.10	1.77
Total outstanding dues of creditors other than micro and small enterprises		114.78	204.71
iv. Other financial liabilities	20	10.00	22.90
Employee benefit obligations	16	0.25	0.35
Other current liabilities	21	69.64	60.10
<b>Total current liabilities</b>		<b>537.95</b>	<b>600.94</b>
<b>Total liabilities</b>		<b>1,120.85</b>	<b>1,255.17</b>
<b>Total equity and liabilities</b>		<b>1,278.31</b>	<b>1,225.36</b>

**Summary of material accounting policies**

2

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

**For and on behalf of the Board**

**JITENDER MAHAJAN**  
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**Jitender Mahajan**  
Director  
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**Akil Khan**  
CFO  
PAN: GBVPK7489B

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**Ashok Tandon**  
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DIN-00032733

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**Vinod Kumar**  
Manager  
PAN: AHVPG5228J

**As per our report of even date**

**For Sharp & Tannan**  
**Chartered Accountants**  
FRN 000452N

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**P.K. Aggarwal**

**Partner**

**M.No. 091466**

**Place : New Delhi**

**Date : 17/04/2026**

**SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED**

CIN: U31500MH2014PTC388654

Statement of profit and loss for the year ended March 31,2026

(All amounts in INR Mn, unless otherwise stated)

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Revenue</b>			
Revenue from contract with customers	22 (a)	1,248.68	1,243.03
Other operating revenue	22 (b)	15.07	40.23
Total revenue from operations		1,263.75	1,283.26
Other income	23	8.37	9.84
<b>Total income</b>		<b>1,272.12</b>	<b>1,293.10</b>
<b>Expenses</b>			
Cost of materials consumed	24	499.83	575.82
Cost of components	25	41.62	17.00
Changes in inventory of finished goods and work-in-progress	26	(7.21)	5.41
Employee benefits expense	27	161.91	157.55
Finance costs	28	72.49	78.93
Depreciation and amortization expense	29	146.05	139.59
Other expenses	30	331.91	354.11
<b>Total expenses</b>		<b>1,246.60</b>	<b>1,328.41</b>
<b>Profit before exceptional items</b>			
Exceptional items (income)/ expense			
<b>Profit/(loss) before tax</b>		<b>25.52</b>	<b>(35.31)</b>
<b>Tax expense</b>	31	-	-
-Current tax		-	-
-Deferred tax expense/ (credit)	17	(160.96)	-
<b>Total tax expense</b>		<b>(160.96)</b>	-
<b>Profit/(loss) for the year</b>		<b>186.48</b>	<b>(35.31)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefit obligations - gain/(loss)		0.79	0.46
<b>Other comprehensive income for the year, net of tax</b>		<b>0.79</b>	<b>0.46</b>
<b>Total comprehensive income for the year</b>		<b>187.27</b>	<b>(34.85)</b>
<b>Earnings/ (loss) per equity share (absolute figure)</b>	32		
Nominal value per share: INR 10 (Previous year : INR 10)			
Earnings per share:			
Basic & diluted		0.26	(0.36)
<b>Summary of material accounting policies</b>			
The above statement of profit and loss should be read in conjunction with the accompanying notes.			

For and on behalf of the Board

**JITENDER MAHAJAN**  
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Jitender Mahajan  
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Director  
DIN-00032733

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Vinod Kumar  
Manager  
PAN: AHVPG5228J

As per our report of even date

For Sharp & Tannan  
Chartered Accountants  
FRN 000452N

Pavan Kumar Aggarwal  
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P.K. Aggarwal  
Partner

M.No. 091466

Place : New Delhi  
Date : 17/04/2026

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
<b>A. Cash flow from operating activities:</b>		
Net profit/(loss) before tax	25.52	(35.31)
Adjustments for:		
Depreciation & amortisation	146.05	139.59
Lease liabilities no longer required written back	(0.10)	(0.02)
Interest income	(2.38)	(2.67)
Finance costs	72.49	78.93
Employee benefit provisions	6.05	1.40
Amortisation of loan processing fee		
Unrealised foreign exchange (gain)/loss (net)	0.01	(0.65)
<b>Operating profit/(loss) before working capital changes</b>	<b>247.64</b>	<b>181.26</b>
<b>Changes in working capital:</b>		
Increase/(decrease) in trade payables	(86.62)	18.53
Increase/(decrease) in other financial liabilities	(3.36)	21.33
(Increase)/decrease in trade receivables	6.30	(2.65)
(Increase)/decrease in inventories	(14.51)	0.80
(Increase)/decrease in other financial assets	(3.07)	(2.72)
(Increase)/decrease in other current assets	4.78	(5.33)
(Increase)/decrease in other non current assets	14.95	1.75
<b>Cash used in operations</b>	<b>166.11</b>	<b>212.97</b>
- Taxes paid	(1.21)	(1.00)
- Refund received	1.07	1.10
- Interest on income tax refund	0.06	0.04
<b>Net cash used in operative activities</b>	<b>166.03</b>	<b>213.13</b>
<b>B. Cash flow from investing activities:</b>		
Payments for property, plant & equipment and intangible assets including capital work-in-progress	(28.14)	(150.02)
Proceeds from sale of property, plant & equipment	-	-
Advance to supplier for capital goods	(10.40)	(10.53)
Proceeds from maturity/(investment) in bank deposits	-	0.12
<b>Net cash used in investing activities</b>	<b>(38.54)</b>	<b>(160.43)</b>
<b>C. Cash flow from financing activities:</b>		
Interest paid to banks	(11.32)	(8.91)
Interest paid to related parties	(35.69)	(42.40)
Payment of long term borrowings (related parties)	(94.00)	(120.00)
Proceeds from long term borrowings	-	-
Proceeds from long term borrowings (related parties)	55.00	315.00
Payment of lease liability	(57.48)	(51.66)
Payment of short term borrowings	-	-
Payment of short term borrowings (related parties)	(60.00)	(251.00)
Proceeds from other short term borrowings	25.98	46.23
Proceeds from other short term borrowings (related parties)	50.00	60.00
Proceeds from issue of share capital	-	-
<b>Net cash from financing activities</b>	<b>(127.51)</b>	<b>(52.74)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents as at current year closing</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents comprise of the following (note 10)</b>	<b>-</b>	<b>-</b>
<b>Balances with banks</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalent as per balance sheet</b>	<b>-</b>	<b>-</b>

Summary of material accounting policies

**Notes:**

- The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7, "Statement of cash flows".
- The above cash flow statement should be read in conjunction with the accompanying notes

For and on behalf of the Board

**JITENDER MAHAJAN**  
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**Jitender Mahajan**  
Director  
DIN-06755332

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**Akil Khan**  
CFO  
PAN: GBVPK7489B

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**Ashok Tandon**  
Director  
DIN-00032733  
**VINOD KUMAR**  
Vinod Kumar  
Manager  
PAN: AHVPG5228J

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As per our report of even date

**For Sharp & Tannan**  
Chartered Accountants  
FRN 000452N

**Pavan Kumar**  
Aggarwal  
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Date: 2026.04.17 17:20:16 +05'30'

**P.K. Aggarwal**  
Partner  
M.No. 091466

**Place : New Delhi**  
**Date : 17/04/2026**

**SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED**

CIN: U31500MH2014PTC388654

Statement of changes in equity for the year ended March 31,2026

(All amounts in INR Mn, unless otherwise stated)

**A. Equity share capital**

	Note	Amount
<b>As at March 31, 2024</b>		990
Issue of equity share capital	13	-
<b>As at March 31, 2025</b>		<b>990</b>
Issue of equity share capital	13	-
<b>As at March 31, 2026</b>		<b>990</b>

**B. Other equity**

	Notes			Total
		Capital contribution	Retained earnings	
Balance as at April 01, 2024		12.62	(998.00)	<b>(985.38)</b>
Additions during the year	14	-	(35.28)	<b>(35.28)</b>
Deletion during the year		(0.00)		<b>(0.00)</b>
Other comprehensive income		-	0.46	<b>0.46</b>
<b>Total comprehensive income for the year</b>		<b>(0.00)</b>	<b>(34.82)</b>	<b>(34.82)</b>
Balance as at March 31, 2025		12.62	(1,034.82)	<b>(1,020.00)</b>
Additions during the year		-	186.48	<b>186.48</b>
Deletion during the year		-		-
Other comprehensive income		-	0.79	<b>0.79</b>
<b>Total comprehensive income for the year</b>		-	<b>187.57</b>	<b>187.47</b>
<b>Balance as at March 31, 2026</b>		<b>12.62</b>	<b>(849.25)</b>	<b>(832.53)</b>

Summary of material accounting policies

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

For and on behalf of the Board

**JITENDER MAHAJAN**  
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**Jitender Mahajan**  
Director  
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**Ashok Tandon**  
Director  
DIN-00032733

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**Vinod Kumar**  
Manager  
PAN: AHVPG5228J

**As per our report of even date**  
**For Sharp & Tannan**  
**Chartered Accountants**  
**FRN 000452N**

**Pavan Kumar Aggarwal**  
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Pavan Kumar  
Aggarwal  
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**P.K. Aggarwal**  
Partner  
M.No. 091466

**Place : New Delhi**  
**Date : 17/04/2026**

(All amounts in INR Mn, unless otherwise stated)

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## **1. General information**

Samvardhana Motherson Auto Component Private Limited was incorporated in India on 23 December 2014 to engage in activities of manufacturing, assembling, selling, marketing, importing, exporting, sourcing, tooling, purchasing raw material for all kinds of parts, sub- parts for automobiles, automotive and related industry. On 7 July 2022 the Company having by special resolution changed its registered office from 2nd floor, F-7 Block B-1, Mohan Cooperative Industrial Estate Mathura Road Delhi-110044 to Unit-705, C Wing, One BKC, G-Block, Bandra Kurla Complex, Bandra East, Mumbai City, Maharashtra, India, 400051. Its manufacturing unit is in IMT Bawal, Rewari, Haryana-123501.

### **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).

The holding company has re-confirmed its intention to continue to provide adequate financial support to the Company for its operations for the foreseeable future. Also, based on the turn around strategy adopted by the Company, considering consolidation of operations, growth in sales and cost reduction, the management projects that the Company will generate profits in future. Based on the above, the management believes that the Company will continue as a going concern and thereby realize its assets and discharge its liabilities in the normal course of its business.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value or revalued amount.

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

(All amounts in INR Mn, unless otherwise stated)

**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 recognized 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

**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.

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

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

(All amounts in INR Mn, unless otherwise stated)

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**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 recognized in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

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 recognized 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 subsidiaries, joint ventures and associates) classified as FVOCI are recognized in other comprehensive income.

**e. Revenue recognition and other income**

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

(All amounts in INR Mn, unless otherwise stated)

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**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 or both 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 or both to a customer, excluding amounts collected on behalf of third parties.

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

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

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

- (a) The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.
- (b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- (c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized 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 or both 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 recognized this gives rise to a contract liability.

(All amounts in INR Mn, unless otherwise stated)

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

Revenue is recognized 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.

**Sales 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 when the significant risks and rewards of ownership are transferred to the buyer as per the terms of contract.

**Sales of services:**

Revenues from the sale of services are recorded with respect to the stage of completion as of the reporting date in relation to the total service to be provided in the course of the transaction.

**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.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone 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

(All amounts in INR Mn, unless otherwise stated)

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neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

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

#### **g. Leases – Ind AS 116**

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

#### **As a Lessee**

SMAC (the Company) applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. SMAC 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 recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost

(All amounts in INR Mn, unless otherwise stated)

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:

<b>Assets</b>	<b>Lease Period</b>
Building	10 Years
Motor Vehicles	3-5 Years
Plant & Machinery	3-5 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.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2 (h) Impairment of non-financial assets

## **ii) Lease Liabilities.**

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

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

(All amounts in INR Mn, unless otherwise stated)

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**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 machinery and equipment (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.

- Quantitative disclosures and other disclosures are in **(note 43)**

**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 asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a

(All amounts in INR Mn, unless otherwise stated)

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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 recognized 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 recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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 purpose of 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.

#### **j. 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 recognized 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 market place (regular way trades) are recognized 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 amortized 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 amortized cost**

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

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and 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 category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

(b) This category generally applies to trade and other receivables.

### **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.

(All amounts in INR Mn, unless otherwise stated)

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(c) 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 the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized 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 recognized 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.

(All amounts in INR Mn, unless otherwise stated)

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

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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 (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

**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 amortized 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 that are within the scope of Ind AS 115.
- (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 recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e., as a liability. Debt instruments measured at 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

(All amounts in INR Mn, unless otherwise stated)

measured at amortized cost is recognized 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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

### **Subsequent measurement**

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

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

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

Gains or losses on liabilities held for trading are recognized 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

(All amounts in INR Mn, unless otherwise stated)

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changes in fair value of such liability are recognized 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization 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 recognized 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 recognized less cumulative amortization.

**De-recognition**

A financial liability is de-recognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative cause some or all of the cash flows

(All amounts in INR Mn, unless otherwise stated)

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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 there

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 recognized in statement of profit and loss, unless designated as effective hedging instruments.

#### **Off- setting of financial instruments**

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to off-set the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **k. Fair value measurement**

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

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

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

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

(All amounts in INR Mn, unless otherwise stated)

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

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

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

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

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

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

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

#### **I. Property, Plant and equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure, net of any subsequent sale proceeds of items produced over the cost of testing, that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if

(All amounts in INR Mn, unless otherwise stated)

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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as on 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

#### **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 lives (years)*</b>
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Plant & Machinery:	
(i) Plant & Machinery	01-10 years
(ii) Die & Molds	On the basis of shots produce
(iii) Electric installation	10 years
Furniture & fixtures	6 years
Office equipment	5 years
Computers	3 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.

(All amounts in INR Mn, unless otherwise stated)

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognized.

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.

#### **m. 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 amortization and accumulated impairment losses.

The useful live of other intangible assets are as follows:

<b>Assets</b>	<b>Useful life</b>
Software	3 years
Technical knowhow fees	4 years

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as on 01 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

#### **n. Inventories**

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

(All amounts in INR Mn, unless otherwise stated)

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

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

#### **o. Provisions, contingent liabilities, contingent assets and onerous contracts**

##### **Provisions**

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

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

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized 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 recognized 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.

(All amounts in INR Mn, unless otherwise stated)

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**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.

**p. 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 recognized 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 & Employee State Insurance**

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

**Gratuity**

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 gratuity plan in the Company is unfunded.

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 of gains and losses arising from experience.

(All amounts in INR Mn, unless otherwise stated)

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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 recognized immediately in income.

### **Compensated Absences**

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

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

### **q. Earnings per share**

#### **(i) 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.

#### **(ii) Diluted earnings per share**

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

(All amounts in INR Mn, unless otherwise stated)

- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **2.2 New and amended Standards**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

### **(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

### **(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

### **(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12.**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

(All amounts in INR Mn, unless otherwise stated)

### **2.3 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 assumptions**

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

##### **(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 un-amortized 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.

Further details about gratuity obligations are given in **Note 16**.

(All amounts in INR Mn, unless otherwise stated)

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**(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.

3A. Property, plant and equipment								
	Leasehold improvements	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work-in-progress
<b>Period ended Mar 31, 2025</b>								
<b>Gross carrying amount</b>								
Gross carrying amount as at April 01, 2024	105.44	870.65	4.79	7.36	6.82	0.63	995.06	13.22
Additions	-	47.45	0.07	0.23	0.39		48.76	114.79
Disposals		-					-	17.23
Other adjustments (refer note iv)							-	
<b>Closing gross carrying amount as at Mar 31,2025</b>	<b>105.44</b>	<b>918.10</b>	<b>4.86</b>	<b>7.59</b>	<b>7.21</b>	<b>0.63</b>	<b>1,043.82</b>	<b>110.78</b>
<b>Accumulated depreciation</b>								
Accumulated depreciation as at April 01, 2024	40.28	444.43	3.00	4.11	5.09	-	496.90	-
Depreciation charge during the year	8.86	88.94	0.57	1.28	1.18	0.01	100.85	
Disposals		-					-	
Other adjustments (refer note iv)							-	
<b>Closing accumulated depreciation as at Mar 31,2025</b>	<b>49.14</b>	<b>533.37</b>	<b>3.57</b>	<b>5.39</b>	<b>6.27</b>	<b>0.01</b>	<b>597.75</b>	<b>-</b>
<b>Net carrying amount as at Mar 31,2025</b>	<b>56.30</b>	<b>384.73</b>	<b>1.29</b>	<b>2.20</b>	<b>0.94</b>	<b>0.62</b>	<b>446.07</b>	<b>110.78</b>
<b>Period ended March 31,2026</b>								
<b>Gross carrying amount</b>								
Gross carrying amount as at April 01, 2025	105.44	918.10	4.86	7.59	7.21	0.63	1,043.84	110.78
Additions	(0.00)	117.32	-	1.77	0.71	0.50	120.30	13.55
Disposals		-				0.16	0.16	111.55
Other adjustments (refer note iv)							-	
<b>Closing gross carrying amount as at March 31,2026</b>	<b>105.44</b>	<b>1,035.41</b>	<b>4.86</b>	<b>9.35</b>	<b>7.92</b>	<b>0.97</b>	<b>1,163.95</b>	<b>12.78</b>
<b>Accumulated depreciation</b>								
Accumulated depreciation as at April 01, 2025	49.14	533.37	3.57	5.39	6.27	0.01	597.75	-
Depreciation charge during the year	8.86	94.31	0.56	1.47	0.92	0.06	106.18	
Disposals		-				0.01	0.01	
Other adjustments (refer note iv)							-	
<b>Closing accumulated depreciation as at March 31,2026</b>	<b>58.00</b>	<b>627.69</b>	<b>4.13</b>	<b>6.86</b>	<b>7.19</b>	<b>0.06</b>	<b>703.92</b>	<b>-</b>
<b>Net carrying amount as at March 31,2026</b>	<b>47.44</b>	<b>407.72</b>	<b>0.74</b>	<b>2.49</b>	<b>0.73</b>	<b>0.91</b>	<b>460.04</b>	<b>12.78</b>

**Notes**

- i. Contractual obligations: Refer note 39 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
- ii. Refer note 38 for information on property, plant and equipments hypothecated as security by the Company.
- iii. Capital work-in-progress mainly comprises plant and machinery refer note 38

**SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED**

CIN: U31500MH2014PTC388654

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

**3B. Capital work-in-progress ageing schedule**

(All amounts in INR Mn, unless otherwise stated)

Capital work-in-progress	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Plant & Machinery	3.78	9.00			12.78
<b>Total</b>	<b>3.78</b>	<b>9.00</b>	-	-	<b>12.78</b>

As at March 31, 2025

Capital work-in-progress	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Plant & Machinery	110.78				110.78
<b>Total</b>	<b>110.78</b>	-	-	-	<b>110.78</b>

(All amounts in INR Mn, unless otherwise stated)

4. Right of use assets

Particulars	Buildings	Plant & machinery	Vehicles	Total
<b>Period ended Mar 31, 2025</b>				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2024	373.85	4.89	6.36	385.10
Adjustment in opening balance on account of Ind AS 116	-	-	-	-
Addition during the year	-	-	3.25	3.25
Disposal during the year	-	-	1.54	1.54
Other adjustment				
<b>Closing gross carrying amount as at Mar 31,2025</b>	<b>373.85</b>	<b>4.89</b>	<b>8.07</b>	<b>386.80</b>
<b>Accumulated depreciation</b>				
Opening accumulated depreciation as at April 01, 2024	121.30	4.89	3.32	129.51
Depreciation charge during the year	37.47		0.75	38.22
Disposals			0.52	0.52
Other adjustment				-
<b>Closing accumulated depreciation as at March 31,2025</b>	<b>158.77</b>	<b>4.89</b>	<b>3.55</b>	<b>167.21</b>
<b>Net carrying amount as at Mar 31,2025</b>	<b>215.08</b>	<b>-</b>	<b>4.51</b>	<b>219.59</b>
<b>Period ended March 31,2026</b>				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2025	373.85	4.89	8.07	386.81
Adjustment in opening balance on account of Ind AS 116	-	-	-	-
Addition during the year	-	-	6.49	6.49
Disposal during the year	-	-	1.89	1.89
Other adjustment				
<b>Closing gross carrying amount as at March 31,2026</b>	<b>373.85</b>	<b>4.89</b>	<b>12.67</b>	<b>391.41</b>
<b>Accumulated depreciation</b>				
Opening accumulated depreciation as at April 01, 2025	158.77	4.89	3.55	167.21
Depreciation charge during the year	37.36		1.31	38.67
Disposals				-
Other adjustment				-
<b>Closing accumulated depreciation as at March 31,2026</b>	<b>196.13</b>	<b>4.89</b>	<b>4.86</b>	<b>205.89</b>
<b>Net carrying amount as at March 31,2026</b>	<b>177.72</b>	<b>-</b>	<b>7.80</b>	<b>185.51</b>

**SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED**

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

(All amounts in INR Mn, unless otherwise stated)

<b>5. Other intangible assets</b>			
<b>Particulars</b>	<b>Technical knowhow</b>	<b>Softwares</b>	<b>Total</b>
<b>Closing gross carrying amount as at Mar 31,2025</b>			
<b>Gross carrying amount</b>			
Gross carrying amount as at Apr 1, 2024	14.05	10.25	24.30
Additions	-	0.20	0.20
Disposals	-	-	-
<b>Closing Gross carrying amount as at March 31,2025</b>	<b>14.05</b>	<b>10.45</b>	<b>24.49</b>
<b>Accumulated amortisation</b>			
Accumulated amortisation as at Apr 1, 2024	14.05	9.38	23.42
Amortisation charge during the year	-	0.52	0.52
Disposals	-	-	-
<b>Closing accumulated Amortisation as at Mar 31,2025</b>	<b>14.05</b>	<b>9.90</b>	<b>23.94</b>
<b>Net carrying amount as at Mar 31,2025</b>	<b>-</b>	<b>0.55</b>	<b>0.55</b>
<b>Closing gross carrying amount as at March 31,2026</b>			
<b>Gross carrying amount</b>			
Gross carrying amount as at Apr 1, 2025	14.05	10.45	24.49
Additions	-	2.00	2.00
Disposals	-	-	-
<b>Closing Gross carrying amount as at March 31,2026</b>	<b>14.05</b>	<b>12.45</b>	<b>26.50</b>
<b>Accumulated amortisation</b>			
Accumulated amortisation as at Apr 1, 2025	14.05	9.90	23.94
Amortisation charge during the year	-	1.05	1.05
Disposals	-	-	-
<b>Closing accumulated Amortisation as at March 31,2026</b>	<b>14.05</b>	<b>10.95</b>	<b>25.00</b>
<b>Net carrying amount as at March 31,2026</b>	<b>-</b>	<b>1.50</b>	<b>1.50</b>

## 5A Notes to the financial statements for the year ended March 31,2026

## Intangible Assets under development ageing schedule

As on March 31,2026

(All amounts in INR Mn, unless otherwise stated)

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	8.17	-	-	-	8.17
<b>Total</b>	<b>8.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.17</b>

As on March 31,2025

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	3.49	-	-	-	3.49
<b>Total</b>	<b>3.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.49</b>

(All amounts in INR Mn, unless otherwise stated)

6. Other financial assets

(Unsecured, considered good, unless otherwise stated)

Security deposits

**Total**

As at March 31,2026		As at March 31, 2025	
Current	Non-current	Current	Non-current
0.45	34.27	0.45	31.20
<b>0</b>	<b>34</b>	<b>0.45</b>	<b>31.20</b>

7. Other non-current assets

(Unsecured, considered good, unless otherwise stated)

Prepaid expenses

Capital advances

Advance to employees

**Total**

As at March 31,2026	As at March 31, 2025
9.76	11.92
10.40	13.40
0.60	-
<b>20.76</b>	<b>25.32</b>

8. Inventories

Raw materials

Work-in-progress

Finished goods

Components, dies and moulds

Stores and spares

**Total**

Inventory include inventory in transit (sales):

Finished goods

As at March 31,2026	As at March 31, 2025
13.78	13.36
23.60	24.60
67.08	58.87
9.34	0.96
36.84	38.34
<b>150.64</b>	<b>136.14</b>
45.32	43.12

9. Trade receivables

(Unsecured, considered good, unless otherwise stated)

-Related parties (refer note 36)

-Others

-Credit impaired

Less : Provision For Bad & Doubtful Debts

**Total**

As at March 31,2026	As at March 31, 2025
49.33	40.77
135.06	140.81
-	-
<b>184.39</b>	<b>181.58</b>
9.11	-
<b>175.28</b>	<b>181.58</b>

Trade receivables ageing schedule as at March 31,2026

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months –1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
- considered good							
-related parties	9.83	38.91	0.59	-	-	-	49.33
-others	131.28	-	3.78	-	-	-	135.06
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>141.11</b>	<b>38.91</b>	<b>4.37</b>	-	-	-	<b>184.39</b>

Trade receivables ageing schedule as at March 31, 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months –1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
- considered good	-	-	-	-	-	-	-
-related parties	19.37	21.43	-	-	-	-	40.79
-others	119.48	19.86	1.45	-	-	-	140.78
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>138.85</b>	<b>41.28</b>	<b>1.45</b>	-	-	-	<b>181.58</b>

(All amounts in INR Mn, unless otherwise stated)

**10 Cash and cash equivalents**

	As at March 31,2026	As at March 31, 2025
Balances with banks:		
Current accounts	-	-
Cash on hand		
<b>Total</b>	<b>-</b>	<b>-</b>

**Change in liabilities arising from financing activities**

Changes in liability arising from financial activity	As at March 31, 2025	Cash flow	Non cash items*	As at March 31,2026
Non current borrowings (including current maturity of long term borrowing)	265.00	59.50	-	324.50
Current borrowings	330.06	(32.28)	-	297.77
Current and non current lease liabilities	333.76	(57.48)	(7.85)	284.13
<b>Total liabilities from financing activities</b>	<b>928.81</b>	<b>(30.26)</b>	<b>(7.85)</b>	<b>906.40</b>

Changes in liability arising from financial activity	As at March 31, 2024	Cash flow	Non cash items*	As at March 31, 2025
Non current borrowings (including current maturity of long term borrowing)	265.00	-	-	265.00
Current borrowings	330.06	-	-	330.06
Current and non current lease liabilities	333.76	(51.66)	(29.42)	333.76
<b>Total liabilities from financing activities</b>	<b>928.81</b>	<b>(51.66)</b>	<b>(29.42)</b>	<b>928.82</b>

\*Non cash items include new leases taken or termination of lease contracts in case of lease liabilities, adjustments under IND AS for Corporate guarantee given by the holding company to the bank for credit facilities obtained.

**11 Current tax assets (net)**

	As at March 31,2026	As at March 31, 2025
<b>Opening balance</b>	<b>0.94</b>	<b>1.04</b>
Add: Income tax paid	1.21	0.94
Adjustment for earlier year		0.06
Less: Refund received	(1.07)	(1.10)
<b>Closing balance</b>	<b>1.08</b>	<b>0.94</b>

**12. Other current assets**

(Unsecured, considered good, unless otherwise stated)

	As at March 31,2026	As at March 31, 2025
Advance to suppliers	3.46	2.17
Advance to employees	0.13	0.30
Prepaid expenses	4.46	7.91
Balances with government authorities	58.81	58.86
<b>Total</b>	<b>66.86</b>	<b>69.25</b>

(All amounts in INR Mn, unless otherwise stated)

	As at March 31,2026	As at March 31, 2025
<b>13. Equity share capital</b>		
<b>Authorised:</b>		
10,00,00,000 (March 31, 2024: 10,00,00,000) Equity shares of INR 10 each	1,000	1,000
<b>Issued, Subscribed and Paid up:</b>		
99,00,00,000 (March 31, 2024: 99,00,00,000) Equity shares of INR 10 each, fully paid-up	990	990

**a. Movement in equity share capital**

	Number of shares	Amount
<b>As at April 01, 2024</b>	99,000,000	990
Issued during the year		
<b>As at March 31, 2025</b>	99,000,000	990
Issued during the year	-	-
<b>As at March 31,2026</b>	<b>99,000,000</b>	<b>990</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 is entitled to one vote per share held.

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

**c. Equity shares held by the promoters at the end of the year**

**FY 2025-26**

S.N.	Name	No. of shares	% of total shares	% change during the year
1	Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited)*	99,000,000	100%	0%

\* Including 10 equity shares held by nominee shareholders

**FY 2024-25**

S.N.	Name	No. of shares	% of total shares	% change during the year
1	Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited)*	99,000,000	100%	0%

\* Including 10 equity shares held by nominee shareholders

**14 Reserves and surplus**

	As at March 31,2026	As at March 31, 2025
Retained earnings	(845.15)	(1,032.42)
Equity contribution from holding company	12.62	12.62
<b>Total reserves and surplus</b>	<b>(832.54)</b>	<b>(1,019.81)</b>

**(i) Retained earnings**

	As at March 31,2026	As at March 31, 2025
Opening balance	(1,032.42)	(997.60)
Additions during the year	186.48	(35.28)
Remeasurements of post-employment benefit obligation, net of tax	0.79	0.46
<b>Closing balance</b>	<b>(845.15)</b>	<b>(1,032.42)</b>

**(ii) Equity contribution from holding Company**

	As at March 31,2026	As at March 31, 2025
Opening balance	12.62	12.62
Additions during the year	-	-
Reversals during the year	-	-
<b>Closing balance</b>	<b>12.62</b>	<b>12.62</b>

**15 Non-current borrowings**

	Non current portion		Current maturities	
	As at March 31,2026	As at March 31, 2025	As at March 31,2026	As at March 31, 2025
<b>Unsecured loans</b>				
Loan from related party (refer Note A)	324.50	366.00	146.50	94.00
Less : Disclosed under 'Current borrowings'(refer note 18)			(146.50)	(94.00)
<b>Total</b>	<b>324.50</b>	<b>366.00</b>	-	-

**Note A : Loan from Related Parties**

## 1. Motherson Techno Tools Limited

Amount: INR : 526 Mn taken in FY2023-24

Repayment: Monthly repayments with last installment payable on 31 March 2030

Rate of interest: 8.25% per annum (i.e. repo rate 5.25% + 3.0%) , payable monthly

(Any change in Repo rate during any month, interest rate will be revised w.e.f. 1st day of next month)

## 2. Rollon Hydraulics Private Limited

Amount: INR : 75 Mn taken FY2024-25 and 80 Mn taken during the year

Repayment: Monthly repayments with last installment payable by 31 March 2029 and 25 Mn repayment on 30 September 2026

Rate of interest: 8.25% per annum (i.e. repo rate 5.25% + 3.0%) , payable monthly

(Any change in Repo rate during any month, interest rate will be revised w.e.f. 1st day of next month)

## 3. Motherson Auto Solution Limited

Amount: INR : 120 Mn taken in FY2023-24

Tenure: Payable by Sept- 2027

Rate of interest: 8.25% per annum (i.e. repo rate 5.25% + 3.0%) , payable monthly

(Any change in Repo rate during any month, interest rate will be revised w.e.f. 1st day of next month)

## 4. SMR Automotive Systems India Limited

During the year a loan of INR 25 Mn was obtained from Samvardhana Motherson International limited at an interest rate of 8.25% per annum (i.e. repo rate 5.25% + 3%), for a period of 9 Months.

16. Provision for employee benefit obligations

	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Gratuity	-	7.31	0.11	5.22
Leave encashment	0.25	7.37	0.23	3.31
<b>Total</b>	<b>0.25</b>	<b>14.68</b>	<b>0.35</b>	<b>8.53</b>

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

A. Defined benefit schemes

Gratuity

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

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

i) Present value of defined benefit obligation

Obligations at year beginning

Service cost - current

Interest expense

Amount recognised in statement of profit and loss

Remeasurements

Actuarial (gain)/ loss on obligation

Amount recognised in other comprehensive income

Effect of exchange rate change

Benefit payments

Addition due to transfer of employees

Obligations at year end

	For the year ended March 31, 2026	For the year ended March 31, 2025
Obligations at year beginning	5.34	4.38
Service cost - current	1.24	1.91
Interest expense	0.31	0.28
Amount recognised in statement of profit and loss	1.55	2.19
Remeasurements		
Actuarial (gain)/ loss on obligation	(0.79)	(0.46)
Amount recognised in other comprehensive income	(0.79)	(0.46)
Effect of exchange rate change		
Benefit payments	0.42	(0.77)
Addition due to transfer of employees	-	-
Obligations at year end	6.52	5.34

ii) Assets and liabilities recognized in the balance sheet

Present value of the defined benefit obligations

Fair value of the plan assets

Amount recognized as Liability

iii) Defined benefit obligation cost for the year:

Service cost - current

Interest cost

Actuarial (gain)/ loss on obligation

Net defined benefit obligations cost

	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of the defined benefit obligations	6.52	5.34
Fair value of the plan assets	-	-
Amount recognized as Liability	6.52	5.34
Service cost - current	1.24	1.91
Interest cost	0.31	0.28
Actuarial (gain)/ loss on obligation	(0.79)	(0.46)
Net defined benefit obligations cost	0.76	1.73

iv) Actuarial assumptions:

Discount rate per annum

Future salary increases

	For the year ended March 31, 2026	For the year ended March 31, 2024
Discount rate per annum	7.3%	6.7%
Future salary increases	10.0%	10.0%

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

v) Sensitivity analysis

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

	Change in assumption		Impact	Increase in assumption		Impact	Decrease in assumption	
	March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025
Discount rate per annum	0.50%	0.50%	Decrease by	(0.43)	(0.40)	Increase by	0.47	0.44
Future salary increases	1.0%	1.0%	Increase by	0.97	0.90	Decrease by	(0.82)	(0.75)

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

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 for FY 2025-26 is 14 years (FY 2024-25: 15 years)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
For year ended March 31, 2026					
Defined benefit obligation (gratuity)	0.15	0.23	1.36	7.61	9.35
For year ended Mar 31, 2025					
Defined benefit obligation (gratuity)	0.12	0.17	1.17	4.59	6.05

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) for the benefit of the employees.

Amount recognised in the 'Statement of profit and loss' is as follows (refer note 27):

Provident fund paid to the authorities

Employee state insurance paid to the authorities

	For the year ended March 31, 2026	For the year ended March 31, 2025
Provident fund paid to the authorities	4.75	4.57
Employee state insurance paid to the authorities	0.20	0.21
	4.95	4.78

**17. Deferred tax liability/(assets) (net)**

Year ended March 31, 2026

	As at April 01, 2025	Charge/ (credit) to Statement of Profit and Loss #	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2026
Borrowings	(2.48)	2.48			-
<b>Total deferred tax liabilities</b>	<b>(2.48)</b>	<b>2.48</b>	-	-	-
<b>Set-off of deferred tax assets pursuant to set-off provisions</b>					
Employee benefit provisions	2.23	1.52	(0.20)	-	3.76
Property, plant and equipment and intangible assets	13.84	2.53	-	-	16.37
Carried forward business losses	32.50	(13.40)	-	-	19.10
Unabsorbed depreciation	92.60	29.13			121.73
Interest Free Security Deposits (Prepaid Rent)	(3.54)	3.54			-
Interest on Unwinding - Security Deposits	4.12	(4.12)	-	-	-
Others	23.14	(23.14)			-
<b>Total deferred tax assets</b>	<b>164.90</b>	<b>(3.95)</b>	<b>(0.20)</b>	-	<b>160.96</b>
<b>Net deferred tax liability/(assets) (net)</b>	<b>167.39</b>	<b>(6.43)</b>	<b>(0.20)</b>	-	<b>160.96</b>
Less: Unrecognised Deferred Tax assets #	-	-	-	-	-
Net deferred tax Assets	<b>167.39</b>	<b>(6.43)</b>	<b>(0.20)</b>	-	<b>160.96</b>

\*The company has opted section 115BAA of income tax act , therefore MAT provision are not applicable

Year ended March 31, 2025

	As at April 01, 2024	Charge/ (credit) to Statement of Profit and Loss #	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2025
Borrowings	(2.43)	(0.05)			(2.48)
<b>Total deferred tax liabilities</b>	<b>(2.43)</b>	<b>(0.05)</b>	-	-	<b>(2.48)</b>
<b>Set-off of deferred tax assets pursuant to set-off provisions</b>					
Employee benefit provisions	1.88	0.35	(0.12)	-	2.23
Property, plant and equipment and intangible assets	10.25	3.60	-	-	13.84
Carried forward business losses	8.63	23.87	-	-	32.50
Unabsorbed depreciation	125.80	33.20	-	-	92.60
Interest Free Security Deposits (Prepaid Rent)	(4.14)	0.60	-	-	(3.54)
Interest on Unwinding - Security Deposits	4.73	(0.61)	-	-	4.12
Others	19.68	3.46	-	-	23.14
<b>Total deferred tax assets</b>	<b>166.84</b>	<b>64.47</b>	<b>(0.12)</b>	-	<b>164.90</b>
<b>Net deferred tax liability/(assets) (net)</b>	<b>169.26</b>	<b>64.52</b>	<b>(0.12)</b>	-	<b>167.39</b>
Less: Unrecognised Deferred Tax assets #	<b>(169.26)</b>	<b>(64.52)</b>	<b>0.12</b>	-	<b>(167.39)</b>
Net deferred tax Assets	-	-	-	-	-

\*The company has opted section 115BAA of income tax act , therefore MAT provision are not applicable.

(All amounts in INR Mn, unless otherwise stated)

18 Current borrowings

	As at March 31,2026	As at March 31,2025
<b>Secured</b>		
Working capital loans repayable on demand- from Kotak Mahindra Bank Limited (refer Note A) Indian rupee loan (cash credit)	103.70	76.65
Current maturities of long term borrowings (refer note 15)	-	-
	<b>103.70</b>	<b>76.65</b>
<b>Unsecured</b>		
Loan from related parties (refer Note B) Indian rupee loan	50.00	60.00
Current Maturity of long term borrowings	96.50	94.00
Working capital loans repayable on demand- from ICICI Bank Limited (refer Note C)	47.57	48.64
	<b>194.07</b>	<b>202.64</b>
<b>Total</b>	<b>297.77</b>	<b>279.29</b>

18 Note A: Summary of credit facilities from Bank

Facility	Sanctioned		Utilised/Payable	
	As at March 31,2026	As at March 31, 2025	As at March 31,2026	As at March 31, 2025
Term Loan	-	-	-	-
Working Capital Term Loan	-	-	-	-
Cash Credit for working capital	170.00	170.00	151.26	125.29
Letters of credit (Sub limit of term loan)	-	-	-	-
Bank Guarantees (Sub limit of term loan)	-	-	-	-
<b>Total</b>	<b>170.00</b>	<b>170.00</b>	<b>151.26</b>	<b>125.29</b>

**Note A: Working capital loans repayable on demand- from Kotak Mahindra Bank Limited**

**Nature of security**

1. First and exclusive charge on all existing and future movable fixed assets of the company (refer Note 38)
2. Corporate guarantee of the holding company

**Rate of interest: 8.5 % per annum payable monthly (i.e. repo rate + 2.0% with quarterly reset)**

Quarterly returns/statements of current assets filed by the company with bank are in agreement with books of account.

**Note B: Loan from related party - refer note 15**

**Note C: Working capital loans repayable on demand- from ICICI Bank Limited**

**Nature of security**

1. Corporate guarantee of the holding company

**Rate of interest: 8.5 % per annum payable monthly (i.e. repo rate + 2.0% with quarterly reset)**

(All amounts in INR Mn, unless otherwise stated)

19. Trade payables	As at March	As at
	31,2026	March 31,2025
Total outstanding dues of micro and small enterprises (refer note 41)		
-Related parties (refer note 36)	0.42	0.24
-Others	4.68	1.53
Total outstanding dues of creditors other than micro and small enterprises		
-Related parties (refer note 36)	11.12	24.36
-Others	103.66	180.36
<b>Total</b>	<b>119.88</b>	<b>206.49</b>

**Ageing schedule for trade payables as at March 31, 2026**

Particulars	Not Due	Outstanding for following period from the due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
MSME*	4.63	0.47	-	-	-	5.10
Others	82.62	31.46	-	-	-	114.08
Disputed dues - MSME*						
Disputed dues - others			0.48	0.22	-	0.70
<b>Total</b>	<b>87.25</b>	<b>31.93</b>	<b>0.48</b>	<b>0.22</b>	<b>-</b>	<b>119.88</b>

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

**Ageing schedule for trade payables as at March 31, 2025**

Particulars	Not Due	Outstanding for following period from the due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
MSME*	1.77	-	-	-	-	1.77
Others	102.57	101.45	-	-	-	204.03
Disputed dues - MSME*						
Disputed dues - others			0.48	0.22	-	0.70
<b>Total</b>	<b>104.35</b>	<b>101.93</b>	<b>0.22</b>	<b>-</b>	<b>-</b>	<b>206.50</b>

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

**20. Other financial liabilities**

	As at March	As at
	31,2026	March 31,2025
Interest accrued on borrowings from others	0.83	0.92
Employee benefits payable	4.24	4.80
Advance recovery from employees	2.28	1.13
Creditors for capital goods		
-Related parties (refer note 36)	-	-
-Others	2.65	16.05
<b>Total</b>	<b>10.00</b>	<b>22.90</b>

**21. Other current liabilities**

	As at March	As at
	31,2026	March 31,2025
Statutory dues	29.09	10.13
Expenses payable	34.87	38.23
Advance received from customers		
-Related parties (refer note 36)		7.28
-Others	5.68	4.46
<b>Total</b>	<b>69.64</b>	<b>60.10</b>

(All amounts in INR Mn, unless otherwise stated)

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
<b>22.(a) Revenue from contract with customers</b>		
<b>Sales of products</b>		
<b>Finished goods</b>		
Within India	1,028.60	1,063.12
Outside India	225.23	194.04
Less: Discount	(5.15)	(14.13)
<b>Total gross sales</b>	<b>1,248.68</b>	<b>1,243.03</b>
<b>22.(b) Other operating revenue:</b>		
Scrap sales	12.40	40.12
Lease liabilities written back to the extent no longer required	0.10	0.02
Sale of services	2.57	0.09
	<b>15.07</b>	<b>40.23</b>
<b>Total</b>	<b>1,263.75</b>	<b>1,283.26</b>
<b>23 Other income</b>		
Profit on sale of property, plant and equipment (net)	-	-
Interest income on income tax refund	0.06	0.04
Interest income from financial assets at amortised cost	2.38	2.67
Gain on exchange fluctuation-unrealised (net)	(0.01)	0.65
Gain on exchange fluctuation-realised (net)	3.29	2.45
Export incentives	2.65	4.03
<b>Total</b>	<b>8.37</b>	<b>9.84</b>
<b>24 Cost of materials consumed</b>		
Opening stock of raw materials	13.36	10.86
Add : Purchases of raw materials	500.25	578.32
Less: Closing stock of raw materials	13.78	13.36
<b>Total</b>	<b>499.83</b>	<b>575.82</b>
<b>25 Cost of components</b>		
Opening stock of components	0.96	2.95
Add : Purchases of components	50.00	15.01
Less: Closing stock of components	9.34	0.96
	<b>41.62</b>	<b>17.00</b>

(All amounts in INR Mn, unless otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>26</b>		
<b>Changes in inventory of finished goods and work in progress</b>		
<b>(Increase)/ decrease in stocks</b>		
Stock at the opening of the year:		
Finished goods	58.87	59.14
Work-in-progress	24.60	29.74
<b>Total A</b>	<b>83.47</b>	<b>88.88</b>
Stock at the end of the year:		
Finished goods	67.08	58.87
Work-in-progress	23.60	24.60
<b>Total B</b>	<b>90.68</b>	<b>83.47</b>
<b>(Increase)/ decrease in stocks (A-B)</b>	<b>(7.21)</b>	<b>5.41</b>
<b>27</b>		
<b>Employee benefit expenses</b>		
Salary,wages & bonus	143.97	138.83
Contribution to provident & other funds	4.94	4.78
Gratuity (refer note 16)	1.66	2.19
Staff welfare expenses	11.34	11.75
<b>Total</b>	<b>161.91</b>	<b>157.55</b>
<b>28</b>		
<b>Finance costs</b>		
Interest on borrowings from bank	11.32	8.91
Interest on borrowings from related parties	35.69	42.40
Interest on lease liabilities	25.48	27.63
<b>Total</b>	<b>72.49</b>	<b>78.93</b>
<b>29</b>		
<b>Depreciation and amortization expense</b>		
Depreciation - property, plant and equipment	106.18	100.85
Depreciation- right of use assets	38.82	38.22
Amortization - intangible assets	1.05	0.52
<b>Total</b>	<b>146.05</b>	<b>139.59</b>

(All amounts in INR Mn, unless otherwise stated)

30 Other expenses	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Job work expenses	23.99	43.53
Electricity, water and fuel	108.80	107.23
Consumable stores & spare parts	59.38	54.74
<b>Repairs and maintenance:</b>		
-Machinery	13.44	13.59
-Building	0.62	0.08
-Others	0.01	0.08
Lease rent vehicles considered short term	-	0.18
Amortization cost of lease rent- vehicles	0.02	0.08
Lease rent factory considered short term	0.09	0.09
Amortization cost of lease rent- factory	2.37	2.37
Rates & taxes	1.41	1.42
Insurance	2.99	3.51
Donation	0.02	0.02
Travelling Expenses	2.19	2.25
Freight & forwarding	36.60	52.66
Royalty	20.36	20.92
Testing charges	1.37	0.79
Freight and cartage	0.70	0.06
Business promotion	0.11	0.21
Technical assistance fee	0.04	0.24
Vehicle running and maintenance	1.88	1.36
Communication	0.35	0.46
Printing and stationery	0.71	0.84
Recruitment expenses	0.07	0.14
Trainee expenses	0.92	1.63
Office expenses	5.93	6.69
Guest house expenses	0.23	0.32
Security expenses	4.48	4.80
Bank charges	1.92	0.85
Legal & professional expenses	16.01	11.62
Packing expense	18.81	21.08
Payment to auditors (refer note (a) below)	1.13	0.20
Miscellaneous expenses	0.00	0.07
Doubtful Debts	4.96	-
<b>Total</b>	<b>331.91</b>	<b>354.11</b>

(a) Payment to auditor:

As auditor:

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Audit fees	1.13	0.11
Limited review & others		0.27
<b>Total</b>	<b>1.13</b>	<b>0.38</b>

31 Reconciliation of tax expense with the effective tax rate

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Profit/(loss) before income tax expense	25.52	(35.31)
Income tax rate of 25.168%*	25.168%	25.168%
<b>Tax calculated as applicable rate</b>	<b>6.42</b>	<b>(8.89)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	0.01	0.00
Unrecognised deferred tax for the year	(6.43)	8.88
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

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

32. Earnings per share

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
<b>a) Basic earnings per share</b>		
Net profit/ (loss) after tax available for equity shareholders	25.52	(35.31)
Weighted average number of equity shares used to compute basic earnings per share	99,000,000	99,000,000
<b>Basic earnings per share (absolute figures)</b>	<b>0.26</b>	<b>(0.36)</b>

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

**33. Fair value measurements****i. Financial instruments by category**

	For the year ended March 31,2026			For the year ended March 31,2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
i. Trade receivables*	-	-	175.28	-	-	181.58
ii. Cash and cash equivalents*	-	-	-	-	-	-
iii. Bank balances other than (ii) above*	-	-	-	-	-	-
iv. Loans*	-	-	-	-	-	-
v. Other financial assets*	-	-	34.72	-	-	31.65
<b>Total financial assets</b>	-	-	<b>210.00</b>	-	-	<b>213.23</b>
<b>Financial liabilities</b>						
i. Borrowings*	-	-	622.27	-	-	645.29
ii. Trade payables*	-	-	119.88	-	-	206.50
iii. Other financial liabilities*	-	-	10.00	-	-	22.89
<b>Total financial liabilities</b>	-	-	<b>752.15</b>	-	-	<b>874.68</b>

\*The carrying amounts of trade receivables, cash and bank balances, loans, short term borrowings, trade payables and other current financial assets and liabilities are considered to be the same as face values.

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

	For the year ended March 31,2026		For the year ended March 31,2025	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Other financial assets	34.27	34.27	31.20	31.20
Loan to employees	-	-	-	-
	<b>34.27</b>	<b>34.27</b>	<b>31.20</b>	<b>31.20</b>
<b>Financial liabilities</b>				
Borrowings*	324.50	324.50	366.00	366.00
	<b>324.50</b>	<b>324.50</b>	<b>366.00</b>	<b>366.00</b>

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

**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 is engaged in the business of manufacturing and selling of automobile parts and is exposed to market risks, credit risk and liquidity risk as with any other manufacturing process. This makes it necessary to have an organised risk management system. The adherence to regulations, instructions, implementational rules through planning, controlling and collectively monitoring along-with regular communication throughout the tightly woven management process form the base of the risk management system.

**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 affects directly and indirectly the price of raw material used by the Company in its products. Substantial pricing pressure from customers 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 aluminium. However, there is no substantial fluctuations in prices of aluminium hence, the Company has not entered into forward contracts to hedge aluminium prices.

**B Foreign currency risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes 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 periods and further unhedged foreign currency exposure is given as follows:

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

Currencies	As at March 31,2026		As at March 31,2025	
	Payable / (receivable)		Payable / (receivable)	
	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
United State Dollar (USD)	0.22	20.43	(0.19)	(18.15)
EURO	0.32	34.69	0.41	37.20
GBP	-	-	-	-
Japaness Yen (JPY)	-	-	-	-

**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. Currently company has availed interest free loan from holding company, thus the company is not exposed to cashflow interest rate risk.

	For the year ended March 31,2026	For the year ended March 31,2025
Variable rate borrowings*	622.27	645.29
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>622.27</b>	<b>645.29</b>

\*Interest rate shall be floating for the entire loan tenure and is linked to RBI repo rate with quarterly reset  
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	
	For the year ended March 31,2026	For the year ended March 31,2025
	Interest rates-increase by 50 basis points*	3.11
Interest rates-decrease by 50 basis points*	(3.11)	(3.23)

\* 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 adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. The Company has deposited liquid funds at banking institutions in India. In long term credit ratings these banking institutions are considered to be investment grade.

**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 Company. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

**(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:

For the year ended March 31,2026	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	297.77	324.50	-	622.27
Lease liabilities	40.41	243.72	-	284.13
Trade payables	119.88	-	-	119.88
Other financial liabilities	10.00	-	-	10.00
<b>Total non-derivative liabilities</b>	<b>468.06</b>	<b>568.22</b>	-	<b>1,036.28</b>

For the year ended March 31, 2025	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	279.29	366.00	-	645.29
Lease liabilities	31.82	218.72	60.98	311.52
Trade payables	206.50	-	-	206.50
Other financial liabilities	22.89	-	-	22.89
<b>Total non-derivative liabilities</b>	<b>540.50</b>	<b>584.72</b>	<b>60.98</b>	<b>1,186.20</b>

**35. Capital management****(a) Risk management**

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

Currently the company's net debt to EBITDA ratio is negative due to business losses. The Net Debt to EBITDA ratios were as follows:

	For the year ended March 31,2026	For the year ended March 31,2025
Net Debt	906.40	956.81
EBITDA	244.07	183.24
<b>Net Debt to EBITDA</b>	<b>3.71</b>	<b>5.22</b>

**(b) Loan covenants**

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

### 36. Related Party Disclosures

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

(1) Entities having control/ joint control over the company :

Samvardhana Motherson International Limited (Formerly known as Motherson Sumi Systems Limited) (SAMIL) Holding company

(2) Key Management Personnel of the reporting entity or of a parent of the reporting entity

**Directors:**

- 1 Mr. Ashok Tandon
- 2 Mr. Jitender Mahajan
- 3 Mr. Vishal Swarupshyam Kabadi

**Other KMP:**

- 1 Bhupender Agrawal
- 2 Akil Khan
- 3 Vinod Kumar

**KMPs of Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) (Holding Company)**

- 1 Mr. Vivek Chaand Sehgal
- 2 Mr. Laksh Vaaman Sehgal
- 3 Mr. Naveen Ganzu
- 4 Ms. Rekha Sethi
- 5 Mr. Robert Joseph Remenar
- 6 Ms. Veli Matti Rutsala
- 7 Mr. Norikatsu Ishida
- 8 Mr. Pankaj Mital
- 9 Mr. Kunal Malani
- 10 Mr. Alok Goel

(3) Subsidiaries of entities having control/joint control over the Company (with whom transactions have taken place)

Samvardhana Motherson Global Carriers Limited (SMGCL)  
SMR Automotive Systems India Limited  
SMR Automotive Systems France S. A.  
SMR Automotive Mirrors UK Limited  
SMR Automotive Mirror Technology Hungary Bt  
SMR Automotive Systems Spain S.A.U.  
Motherson Technology Services Limited (Erstwhile MothersonSumi Infotech & Designs Limited) (MTSL)  
Motherson Techno Tools Limited (Subsidiary through SMISL)  
Motherson Air Travel Agencies Limited  
Motherson Auto Solutions Limited (through SMISL)  
Rollon Hydraulics Private Limited  
Samvardhana Motherson Global (FZE)  
Motherson Machinery and Automations Limited

(4) One entity is an associate or joint venture of the other entity (or an associate of joint venture of a member of a group of which other entity is a member)

Youngshin Motherson Auto Tech Limited  
Nissin Advanced Coating Indo Co. Pvt. Ltd. (through SMISL)  
Anest Iwata Motherson Private Limited (through SMISL)  
Calsonic Kansei Motherson Auto Products Pvt. Ltd.

(5) Entity is controlled or jointly controlled by a person by person identified in (2)

Motherson Auto Limited  
Motherson Lease Solution Limited  
Systematic Conscom Limited

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 36 (I) above:

(a) Key management personnel compensation

	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employee benefits	5.22	6.20
Post-employment benefits	1.78	0.40
<b>Total compensation</b>	<b>6.99</b>	<b>6.60</b>

(b) Transactions with related parties

S. No.	Nature of transactions	Name of related party	Entities having control/ joint control over the company		Subsidiaries of entities having control/joint control over the Company		Other related parties	
			For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Capital purchases	Motherson Technology Services Limited (formerly MothersonSumi Infotech & Designs Limited) (MTSL)	-	-	8.17	3.09	-	-
2	Sales of assets	Systematic Conscom Limited	-	-	-	-	1.20	-
2	Security deposits paid	Calsonic Kansel Motherson Auto Products Private Limited	-	-	-	-	-	-
		Youngshin Motherson Auto Tech Limited	-	-	-	-	-	-
		Motherson Lease Solution Limited	-	-	-	-	2.04	0.97
3	Security deposits received	Motherson Lease Solution Limited	-	-	-	-	0.91	0.68
4	Advance received from customers	SMR Automotive Systems France S.A	-	-	-	-	-	-
		SMR Automotive Mirror Technology Hungary	-	-	-	2.45	-	-
5	Sale of goods	SMR Automotive Mirrors UK Limited	-	-	84.14	77.74	-	-
		SMR Automotive Systems India Limited	-	-	1.07	1.08	-	-
		SMR Automotive Systems France S.A	-	-	-	9.10	-	-
		SMR Automotive Mirror Technology Hungary	-	-	86.69	71.33	-	-
		SMR Automotive Systems Spain, S.A.U	-	-	34.46	21.85	-	-
		Highly Marelli Motherson Thermal Solutions Pvt Ltd	-	-	-	-	97.67	99.66
6	Purchase of goods & services	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (SAMIL)	1.49	0.93	-	-	-	-
		Motherson Technology Services Limited (formerly MothersonSumi Infotech & Designs Limited) (MTSL)	-	-	6.42	6.41	-	-
		Samvardhana Motherson Global FZE	-	-	-	-	5.39	4.05
		Motherson Air Travel Agencies Limited	-	-	1.50	2.59	-	-
		Motherson Auto Limited	-	-	-	-	-	-
		Motherson Techno Tools Limited	-	-	6.47	8.51	-	-
		Motherson Machinery and Automations Limited	-	-	0.89	3.51	-	-
		Highly Marelli Motherson Thermal Solutions Pvt Ltd	-	-	-	-	6.13	7.68
		Systematic Conscom Limited	-	-	-	-	0.22	2.46
		Anest Iwata Motherson Private Limited	-	-	-	-	0.39	0.59
		Samvardhana Motherson Global Carriers Limited	-	-	11.97	15.47	-	-
		Nissin Advanced Coating Indo Co. Pvt. Ltd. (through SMISL)	-	-	-	-	1.48	0.57
		Motherson Lease Solution Limited	-	-	-	-	-	0.02
		Motherson Lease Solution Limited	-	-	-	-	1.59	1.07
7	Operating leases – Vehicles & Machinery, Plant	Motherson Auto Limited	-	-	-	-	55.83	51.12
8	Reimbursement Paid	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (SAMIL)	-	-	-	-	-	-
		Highly Marelli Motherson Thermal Solutions Pvt Ltd	-	-	-	-	-	-
		SMR Automotive Mirrors UK Limited	-	-	-	-	-	-
9	Reimbursements received	Youngshin Motherson Auto Tech Limited	-	-	-	-	-	-
		Highly Marelli Motherson Thermal Solutions Pvt Ltd	-	-	-	-	-	-
		Youngshin Motherson Auto Tech Limited	-	-	-	-	-	-
10	Loans received	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (SAMIL)	-	120.00	-	-	-	-
		Motherson Techno Tools Limited	-	-	-	-	-	-
		Rollon Hydraulics Pvt Ltd	-	-	80.00	75.00	-	-
		Motherson Auto Solutions Limited	-	-	-	180.00	-	-
		Samvardhana Motherson International limited	-	120.00	-	-	-	-
11	Loan repayment	SMR Automotive Systems India Limited	-	-	25.00	-	-	-
		Motherson Techno Tools Limited	-	-	94.00	251.00	-	-
		Motherson Auto Solutions Limited	-	-	60.00	-	-	-
		Samvardhana Motherson Innovative Solutions Limited	-	-	-	-	-	-
12	Interest expense	Motherson Techno Tools Limited	-	-	19.00	37.61	-	-
		Samvardhana Motherson International limited	-	7.98	-	-	-	-
		SMR Automotive Systems India Limited	-	-	0.36	-	-	-
		Rollon Hydraulics Pvt Ltd	-	-	10.01	-	-	-
		Motherson Auto Solutions Limited	-	-	10.98	-	-	-

(All amounts in INR Mn, unless otherwise stated)

13	Interest payment	Motherson Techno Tools Limited	-	-	19.00	37.61	-	-
		Samvardhana Motherson International limited	-	7.98	-	-	-	-
		Rollon Hydraulics Pvt Ltd	-	-	10.01	2.28	-	-
		Motherson Auto Solutions Limited	-	-	10.98	1.72	-	-
		SMR Automotive Systems India Limited	-	-	0.36	-	-	-
		Samvardhana Motherson International Limited (formerly	-	-	-	-	-	-
14	Share capital	Samvardhana Motherson International limited	-	-	-	-	-	-
		Samvardhana Motherson International Limited (formerly	-	-	-	-	-	-
			-	-	-	-	-	-

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

S. No.	Name of related party	Entities having control/ joint control over the company		Subsidiaries of entities having control/joint control over the		Other related parties	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		March 31,2026	March 31,2025	March 31,2026	March 31,2025	March 31,2026	March 31,2025
<b>A</b>	<b>Advance to suppliers</b>						
	Motherson Auto Limited	-	-	-	-	-	-
	Motherson Lease Solution Limited	-	-	-	-	-	-
	Motherson Consultancies Service Ltd.	-	-	-	-	-	-
	Systematic Conscom Limited	-	-	-	-	-	-
	Anest Iwata Motherson Private Limited	-	-	-	-	-	-
	Samvardhana Motherson Health Solution Limited	-	-	-	-	-	-
	Systematic Conscom Limited	-	-	0.28	-	-	-
<b>A</b>	<b>Pavables</b>						
	Motherson Technology Services Limited (formerly	-	-	4.42	6.54	-	-
	MothersonSumi Infotech & Designs Limited) (MTSL)	-	-	-	-	-	-
	Motherson Air Travels Agencies Ltd.	-	-	0.42	0.24	-	-
	Highly Marelli Motherson Thermal Solutions Pvt Ltd	-	-	-	-	-	-
	Samvardhana Motherson Global FZE	-	-	-	-	4.05	2.65
	Motherson Techno Tools Ltd.	-	-	0.07	3.16	-	-
	Systematic Conscom Limited	-	-	-	-	0.01	0.00
	Motherson Machinery and Automations Limited	-	-	-	0.89	-	-
	MothersonSumi Systems Limited	-	-	-	-	-	-
	Youngshin Motherson Auto Tech Limited	-	-	-	-	-	-
	Motherson Consultancies Service Ltd.	-	-	-	-	-	-
	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (SAMIL)	-	-	-	-	-	-
	Motherson Auto Limited	-	-	-	-	0.03	4.90
	Motherson Lease Solution Limited	-	-	-	-	0.01	1.36
	Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (SAMIL)	0.49	0.34	-	-	-	-
	Samvardhana Motherson Global Carriers Limited	-	-	2.01	4.49	-	-
	Anest Iwata Motherson Private Limited	-	-	-	-	0.16	0.01
	Nissin Advanced Coating Indo Co. Pvt. Ltd. (through SMISL)	-	-	-	-	0.04	0.15
	Youngshin Motherson Auto Tech Limited	-	-	-	-	-	-
	Motherson Air Travel Agency GmbH	-	-	-	-	-	-
<b>B</b>	<b>Payable to related party</b>						
	MOTHERSON AUTOMOTIVE ELASTOMERS TECHNOLOGY (A DIV. O	-	-	-	-	-	-
<b>B</b>	<b>Receivables</b>						
	SMR Automotive Mirrors UK Limited	-	-	18.44	17.44	-	-
	SMR Automotive Mirror Technology Hungary	-	-	12.57	12.50	-	-
	SMR Automotive Systems India Limited	-	-	0.16	0.16	-	-
	SMR Automotive Systems Spain,S.A.U	-	-	6.60	3.28	-	-
	Highly Marelli Motherson Thermal Solutions Pvt Ltd	-	-	-	-	10.99	7.38
	SMR AUTOMOTIVE SYSTEMS FRANCE S.A.	-	-	-	-	-	-
<b>C</b>	<b>Advances received from customers</b>						
	SMR Automotive Mirrors UK Limited	-	-	-	-	-	-
	SMR Automotive Mirror Technology Hungary	-	-	-	2.45	-	-
	SMR Automotive Mirrors UK Limited	-	-	-	4.85	-	-
<b>D</b>	<b>Loan outstanding</b>						
	Motherson Techno Tools Ltd.	-	-	171.00	265.00	-	-
	Rollon Hydraulics Pvt Ltd	-	-	155.00	75.00	-	-
	SMR Automotive Systems India Limited	-	-	-	-	25.00	-
	Motherson Auto Solutions Limited	-	-	120.00	180.00	-	-
		-	-	-	-	-	-

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

(d) Loans & advances to / from related parties

Sr. No.	Particulars	Entities with control over the entity		Fellow subsidiaries		Joint venture of holding companies		Other related parties	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		March 31,2026	March 31,2025	March 31,2026	March 31,2025	March 31,2026	March 31,2025	March 31,2026	March 31,2025
i.	<b>Security deposits:</b>								
	<b>Beginning of the year</b>							0.11	(0.18)
	Given							2.04	0.97
	Refunded							0.91	0.68
	<b>End of the year</b>							1.24	0.11
ii.	<b>Borrowings:</b>								
	<b>Beginning of the year</b>	-	-	520.00	516.00				
	Loans received	-	120.00	105.00	255.00				
	Interest expense	-	7.98	40.35	37.61				
	Loan repayment	-	(120.00)	(154.00)	(251.00)				
	Interest payment	-	(7.98)	(40.35)	(37.61)				
	<b>End of the year</b>	-	-	471.00	520.00				

The company has given security deposit to Motherson Lease Solution (Other related party) for providing vehicles to its employees.

The company had a loan from fellow subsidiary MTTL INR 520 Mn and repaid INR 154 Mn.

The company has received loan from Rollon Hydraulics Pvt Ltd INR 130 Mn repayable by 2029 and INR 25 Mn received during the year repayable by 30 Sep.2026 .

The company has received loan from Motherson Auto Solutions Limited INR 180 Mn out of which 60 Mn is repayable 2025 and rest payable by 2027 .

The company has received loan from SMR Automotive Systems India Limited INR 25 Mn is repayable Sep. 2026.

**37. Segment information:**

**Description of segments and principal activities**

The Company is primarily in the business of manufacturing and selling of automobile parts to its customers.

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:

	<b>For the year ended March 31,2026</b>	<b>For the year ended March 31,2025</b>
<b>i) Revenue from external customers</b>		
Within India	1,023.45	1,048.99
Outside India	225.23	194.04
<b>Total</b>	<b>1,248.68</b>	<b>1,243.03</b>

**ii) Segment Assets**

Total of non-current assets other than financial instruments:

	<b>For the year ended March 31,2026</b>	<b>For the year ended March 31,2025</b>
Within India	849.71	805.81
Outside India	-	-
<b>Total</b>	<b>849.71</b>	<b>805.81</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**

	<b>For the year ended March 31,2026</b>	<b>For the year ended March 31,2025</b>
Customer 1	360.69	227.85
Customer 2	197.85	187.04
Customer 3	182.32	179.21
<b>Total</b>	<b>740.86</b>	<b>594.10</b>

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

(All amounts in INR Mn, unless otherwise stated)

**38. Assets hypothecated as security (Kotak Mahindra Bank Limited)**

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

	<b>For the year ended March 31,2026</b>	<b>For the year ended March 31,2025</b>
<b>Current:</b>		
<b>First charge</b>		
Cash and cash equivalents	-	-
Trade receivables	175.28	181.58
Inventory	150.64	136.14
Other current assets	67.93	70.19
<b>Total current assets hypothecated as security</b>	<b>393.85</b>	<b>387.91</b>

**39. Capital and other commitments**

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

	For the year ended March 31,2026	For the year ended March 31,2025
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed	40.84	33.19
Advances against capital commitments	10.40	13.40
<b>Capital commitments net of advance</b>	<b>30.44</b>	<b>19.79</b>

**40. Contingent liabilities:**

	For the year ended March 31,2026	For the year ended March 31,2025
a) GST Matters- refer Notes A & B below:	7.66	7.66
<b>Total</b>	<b>7.66</b>	<b>7.66</b>

A) For the period FY 2018-19 & FY 2020-21 for INR 8 lakh: penalty levied by the GST authorities for sales price increase { subsequent to the initial invoices} raised by the Company on which differential tax was paid at the time of issue of the debit notes/supplementary invoices and interest paid thereafter; the GST authorities have sought to levy penalty on the grounds of delay in payment of the entire tax liability at the time of raising the initial invoices .The Company has filed an appeal against this demand before the CGST Appellate Authority, Gurugram, Haryana

B) FY 2017-18 for INR 69 lakh: tax and penalty levied by the GST authorities primarily for sales price increase { subsequent to the initial invoices} raised by the Company in subsequent years on which differential tax was paid at the time of issue of the debit notes/supplementary invoices and the returns filed by the Company incorporated these facts; the GST authorities have sought to levy tax and penalty on the grounds of mismatch in the returns filed alleging that the payments made are lesser than the liability (Whereas the company has discharged its GST liability when the initial invoices were raised and in the subsequent year when supplementary/Debit notes were raised). The Company has filed an appeal against this demand before the CGST Appellate Authority, Gurugram, Haryana

**41. 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 micro and small enterprises registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and a separate disclosure of the same is given in Trade Payables. The disclosures pursuant to the said MSMED Act is as follows:

Particulars	For the year ended March 31,2026	For the year ended March 31,2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.47	1.77
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	-	0.62
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	-	-
*Interest was not paid to supplier as the delays were mainly due to Procedural delays like delivery & installation,quality of material, sample approval issue and prolonged discussions with the suppliers.		

**42. Disclosure under Ind AS 115 - Revenue from Contracts with Customers**

The Company has adopted Ind AS 115 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in Ind AS 115, the Company has adopted the new rules modified retrospectively .

A) There are no provisions for doubtful debts during the year.

B) Disaggregation of revenue from contracts with customers

Segments	For the year ended March 31,2026	For the year ended March 31,2025
<b>Revenue by geography</b>		
In India	1,023.45	1,048.99
Outside India	225.23	194.04
<b>Total revenue from contract with customers</b>	<b>1,248.68</b>	<b>1,243.03</b>
<b>Revenue by major product lines</b>		
Sale of product	1,248.68	1,243.03
Sale of services	-	-
<b>Total revenue from contract with customers</b>	<b>1,248.68</b>	<b>1,243.03</b>

C) Timing of revenue recognition

At a point in time	1,248.68	1,243.03
Over time	-	-
<b>Total revenue from contract with customers</b>	<b>1,248.68</b>	<b>1,243.03</b>

D) Contract balances

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

	For the year ended March 31,2026	For the year ended March 31,2025
Receivables	175.28	181.58
Contract liabilities (advance from customer)	5.68	11.73

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

The company has lease contracts for building and various items of vehicles and other equipment used in its operations. Leases generally have lease terms between 2 and 10 years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases

**Set out below are the carrying amounts of right-of-use assets recognised and the movements for FY 2025-26:**

Particulars	Building	Machineries	Motor vehicles	Total
As at April 01, 2025	215.07	-	4.52	219.59
Additions	-	-	6.49	6.49
Deletions due to termination of contracts	-	-	(1.89)	(1.89)
Depreciation expense	37.36	-	1.31	38.68
Depreciation on deletions	-	-	-	-
As at March 31, 2026	177.71	-	7.81	185.51

**Set out below are the carrying amounts of right-of-use assets recognised and the movements for FY 2024-25:**

Particulars	Building	Machineries	Motor Vehicles	Total
As at April 01, 2024	252.54	-	3.04	255.58
Additions	-	-	3.25	3.25
Deletions due to termination of contracts	-	-	(1.54)	(1.54)
Depreciation expense	37.47	-	0.75	38.22
Depreciation on deletions	-	-	(0.52)	(0.52)
As at Mar 31, 2025	215.07	-	4.52	219.59

**Set out below are the carrying amounts of lease liabilities and the movements for FY 2025-26:**

Particulars	Amount
As at April 01, 2025	311.52
Additions	6.49
Accretion of interest	25.48
Reduction due to termination of contracts	1.89
Payments	57.48
As at March 31, 2026	284.12
Current portion:-	40.41
Non current portion:-	243.71

**Set out below are the carrying amounts of lease liabilities and the movements for FY 2024-25:**

Particulars	Amount
As at April 01, 2024	333.76
Additions	3.25
Accretion of interest	27.63
Reduction due to termination of contracts	1.54
Payments	51.58
As at Mar 31, 2025	311.52
Current portion:-	31.82
Non current portion:-	279.70

The effective interest rate for lease liabilities is 12% for vehicles & 9% for others, with maturity between 2024-2025

**The following are the amounts recognised in profit or loss for FY 2025-26:**

Particulars	Amount
Depreciation expense of right-of-use assets	38.82
Interest expense on lease liabilities	25.48
Total amount recognised in profit or loss	64.30

**The following are the amounts recognised in profit or loss for FY 2024-25:**

Particulars	Amount
Depreciation expense of right-of-use assets	38.22
Interest expense on lease liabilities	27.63
Total amount recognised in profit or loss	65.85

**Short-term and/or low value leases**

Lease rent paid for vehicles

Lease rent paid for factory

Total

	For the year ended March 31,2026	For the year ended March 31,2025
Lease rent paid for vehicles	-	0.18
Lease rent paid for factory	0.09	0.09
Total	0.09	0.27

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Notes to the financial statements

44. Ratio Analysis and its elements

Ratio	Numerator	Denominator	For the year ended		% change	Reason variance for more than 25%
			March 31, 2026	March 31, 2025		
<b>Current ratios</b>	Current assets	Current liabilities	0.73:1	0.65:1	13%	
<b>Debt- equity ratio</b>	Debt	Share holder's equity	5.76:1	(32.09):1	118%	Variance is due to recognition of deferred tax assets and repayment of debts
<b>Debt service coverage ratio</b>	Earnings available of Debt service	Debt service	1.61:1	0.93:1	73%	Variance is due to reduction in current maturities of long term borrowings & reduction in finance cost .
<b>Return on equity ratio</b>	Net Profit	Share holder's equity	292%	-285%	577%	Variance is due to profit during the year and recognition of deferred tax assets
<b>Inventory turnover ratio</b>	Cost of goods sold	Average inventories	6.32:1	7.38:1	(14%)	
<b>Trade receivable turnover ratio</b>	Revenue from contract with customers	Average trade receivable	7.08:1	7.12:1	(1%)	
<b>Trade payable turnover ratio</b>	Net credit purchases	Average trade payables	4.44:1	4.03:1	10%	
<b>Net capital turnover ratio</b>	Revenue from contract with customers	Average working capital	(7.10):1	(5.85):1	21%	
<b>Net Profit ratio</b>	Net profit	Revenue from operations	15%	(3%)	585%	Variance is due to profit during the year and recognition of deferred tax assets
<b>Return on capital employed</b>	EBIT	Average capital employed	10%	5%	110%	Variance is due to increase in profit during the year

**SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED**

**CIN: U31500MH2014PTC388654**

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

**45. Other Statutory Information**

- i The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii The Company does not have any transactions with companies struck off.
- 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-currencies or virtual currencies during the financial year.
- v The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of (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 have been
- viii The Company is not declared as a wilful defaulter by any bank or financial institution.
- ix The company has not revalued it's Property, plant and equipment and intangible assets
- x The Company has not held any Immovable property in the year ended 31 March 2026.
- xi The Company does not have any holding in downstream companies, hence compliance with number of layers is not applicable.

**46 Audit Trail :**

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per statutory requirements for record retention.

**47.** Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Company

**48.** Corresponding figures of previous year are regrouped/rearranged wherever necessary to confirm to the current year classification.

**For and on behalf of Board**

**JITENDER MAHAJAN**  
Digitally signed by  
JITENDER MAHAJAN  
Date: 2026.04.17  
16:57:33 +05'30'

**Jitender Mahajan**

**Director**

**DIN-06755332**

**AKIL KHAN**  
Digitally signed by  
AKIL KHAN  
Date: 2026.04.17  
16:44:07 +05'30'

**Akil Khan**

**CFO**

**PAN: GBVPK7489B**

**Ashok Tandon**  
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**Ashok Tandon**

**Director**

**DIN-00032733**

**VINOD KUMAR**  
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Date: 2026.04.17  
16:43:34 +05'30'

**Vinod Kumar**

**Manager**

**PAN: AHVPG5228J**

**As per our report of even date**

**For Sharp & Tannan**

**Chartered Accountants**

**FRN 000452N**

**Pavan Kumar Aggarwal**  
Digitally signed by  
Pavan Kumar Aggarwal  
Date: 2026.04.17  
17:21:50 +05'30'

**P.K. Aggarwal**

**Partner**

**M.No. 091466**

**Place : New Delhi**

**Date : 17/04/2026**