S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Motherson Sumi Systems Limited

Report issued in accordance with scope and terms agreed in Master Engagement Agreement dated November 06, 2020, and service scope letter dated August 19, 2021, entered between Motherson Sumi System Limited and us in relation to the audit of Special Purpose Indian Accounting Standards (Ind AS) Financial Statements of SMP Automotive Systems Alabama Inc.

Opinion

We have audited the accompanying Special Purpose Ind AS Financial Statements of SMP Automotive Systems Alabama Inc. ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the Ind AS Financial Statements

The Management of the Company including those charged with governance are responsible for the preparation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS). This responsibility also includes maintenance of adequate accounting records, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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Other matters

These Special purpose Ind AS Financial Statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. These Special Purpose Ind AS Financial Statements include comparative financial information of the Company as at and for the year ended March 31, 2020 and the transition date opening balance sheet as at April 01, 2019 which were not subject to audit or review in earlier years. Accordingly, we do not express an opinion, a conclusion nor provide any assurance on them.

This report covering the financial statements of the Company for the year ended March 31, 2021 is intended for the information and use of the board of directors of the Company and Motherson Sumi Systems Limited (MSSL), the ultimate holding Company to comply with the financial reporting requirement by MSSL with respect to the inclusion of audited financial statement of the subsidiary companies on the website of the MSSL. It should not be used for any other purpose or provided to other parties.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Pankaj

S.R. BATLIBOI & CO. LLP
GURUGRAM

per Pankaj Chadha
Partner
Membership Number: 091813
UDIN: 21091813AAAAEB2422

Place of Signature: Gurugram
Date: Sept 1, 2021

SMP Automotive Systems Alabama Inc.
Special Purpose Ind AS Financial Statements
2020-21

SMP Automotive Systems Alabama Inc.
Special Purpose Balance Sheet as at March 31, 2021

(All amounts in USD'000, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
ASSETS				
Non-current assets				
Property, plant and equipment	3(a)	205,294	216,614	202,560
Right-of-use assets	3(b)	923	1,989	2,859
Capital work-in-progress	3(a)	7,492	5,375	264
Intangible assets	3(c)	3,143	4,174	4,388
Intangible assets under development	3(c)	74	171	44
Financial assets				
i. Trade receivables	6	21,273	18,375	18,891
Deferred tax assets (net)	4	30,273	280	12,555
Other non-current assets	9	6,661	7,953	11,869
Total non-current assets		**275,133**	254,931	253,430
Current assets				
Inventories	5	23,232	23,156	17,058
Financial assets				
i. Trade receivables	6	14,664	16,343	11,468
ii. Cash and cash equivalents	7	25,915	13,847	20,670
iii. Other financial assets	8	33,966	92,474	58,800
Other current assets	9	1,854	4,646	10,906
Total current assets		**99,631**	150,466	118,902
Total assets		**374,764**	405,397	372,332
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	0	0	0
Other equity				
i. Retained earnings	11(a)	(348,090)	(332,677)	(147,137)
ii. Additional paid in capital	11(b)	132,318	132,318	132,318
Total equity		**(215,772)**	(200,359)	(14,819)
Liabilities				
Non current liabilities				
Financial liabilities				
i. Borrowings	12	497,300	480,900	277,600
ii. Lease liabilities	13	299	1,065	2,007
iii. Trade payables	14	300	-	-
Other non-current liabilities	16	1,695	-	-
Total non current liabilities		**499,594**	481,965	279,607
Current liabilities				
Financial liabilities				
i. Lease liabilities	13	639	942	852
ii. Trade payables	14	74,135	84,454	63,574
iii. Other financial liabilities	15	14,195	38,144	42,687
Other current liabilities	16	1,973	251	431
Total current liabilities		**90,942**	123,791	107,544
Total equity and liabilities		**374,764**	405,397	372,332

Summary of significant accounting policies 2

The above Special Purpose Balance Sheet should be read in conjunction with the accompanying notes

This is the Balance Sheet referred to in our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Pankaj

per Pankaj Chadha
Partner
Membership No.: 091813

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

Place: Gurugram, India
Date: Sept 1, 2021

For and on behalf of the Board

Vipin J

Vipin Jain
Director

Date: 01/09/2021

Cezary Zawadzinski
Director

Date: 01/09/2021

Dipin Sharma
Regional CFO

Date: 01/09/2021

SMP Automotive Systems Alabama Inc.
Special Purpose Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in USD'000, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue			
Revenue from contract with customers	17(a)	406,674	321,013
Total revenue from operations		**406,674**	321,013
Other income	18	524	3,333
Total income		**407,198**	324,346
Expenses			
Cost of materials consumed	19	248,351	296,291
Change in inventories of finished goods and work-in-progress	20	(306)	(917)
Employee benefits expense	21	111,245	128,284
Depreciation and amortisation expense	22	19,787	17,507
Finance costs	23	38,170	35,248
Other expenses	24	47,379	66,641
Total expenses		**464,626**	543,054
Loss before tax		**(57,428)**	(218,708)
Tax expenses			
Current tax	25	(11,987)	(45,443)
Deferred tax expense/ (credit)	25	(30,028)	12,275
Total tax expense/ (credit)		**(42,015)**	(33,168)
Loss for the year		**(15,413)**	(185,540)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**(15,413)**	(185,540)
Earnings per share			
Nominal value per share: USD 0.001 (Previous year: USD 0.0001)			
Basic	26	(15,413)	(185,540)
Diluted		(15,413)	(185,540)
Summary of significant accounting policies	2		

The above Special Purpose Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S. R. BATLIBOI & CO. LLP ★ GURUGRAM ★

per Pankaj Chadha
Partner
Membership No.: 091813

Place: Gurugram, India
Date: Sept 1, 2021

For and on behalf of the Board

Vipin J

Vipin Jain
Director

Date: 01/09/2021

Cezary Zawadzinski
Director

Date: 01/09/2021

Dipin Sharma
Regional CFO

Date: 01/09/2021

SMP Automotive Systems Alabama Inc.
Special Purpose Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in USD'000, unless otherwise stated)

A. Equity share capital	**Notes**	**Number of shares (In No.)**	**Amount of share capital**
As at April 01, 2019	10	1	0
As at March 31, 2020	10	1	0
As at March 31, 2021	10	**1**	**0**

B. Other equity	**Notes**	**Reserves and Surplus**	**Additional paid in capital**	**Total**
		Retained earnings		
As at April 01, 2019	11(a)&(b)	(147,137)	132,318	(14,819)
Loss for the year	11(a)	(185,540)	-	(185,540)
Other comprehensive income		-	-	-
Total comprehensive income for the year		(185,540)	-	(185,540)
At March 31, 2020	11(a)&(b)	(332,677)	132,318	(200,359)
As at April 01, 2020	11(a)&(b)	(332,677)	132,318	(200,359)
Loss for the year	11(a)	(15,413)	-	(15,413)
Other comprehensive income		-	-	-
Total comprehensive income for the year		**(15,413)**	-	**(15,413)**
At March 31, 2021	11(a)&(b)	**(348,090)**	**132,318**	**(215,772)**

Summary of significant accounting policies 2

The above Special Purpose Statement of Changes in Equity should be read in conjunction with the accompanying notes

This is the Statement of Changes in Equity referred to in our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Pankaj

per Pankaj Chadha
Partner
Membership No.: 091813

S. R. BATLIBOI & CO. LLP GURUGRAM

Place: Gurugram, India
Date: Sept 1, 2021

For and on behalf of the Board

Vipin J

Vipin Jain
Director
Date: 01/09/2021

Cezary Zawadzinski
Director
Date: 01/09/2021

Dipin Sharma
Regional CFO
Date: 01/09/2021

SMP Automotive Systems Alabama Inc.
Special Purpose Cash Flow Statement for the year ended March 31, 2021

(All amounts in USD'000, unless otherwise stated)

	Note	**For the year ended March 31, 2021**	For the year ended March 31, 2020
A. Cash flow from operating activities:			
Loss before tax		(57,428)	(218,708)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense		19,787	17,507
Finance costs		38,170	35,248
Amortisation of unamortised expenditure		1,535	2,539
Unrealised foreign currency loss		29	1
Operating profit/ (loss) before working capital changes		**2,093**	(163,413)
Changes in working capital:			
Increase/(decrease) in trade and other payables		(10,019)	20,880
Increase/(decrease) in other financial liabilities		(2,860)	(11,565)
Increase/(decrease) in other liabilities		3,418	(180)
(Increase)/decrease in trade receivables		(1,219)	(4,358)
(Increase)/decrease in inventories		(76)	(6,098)
(Increase)/decrease in other financial assets		38,341	(6,596)
(Increase)/decrease in other assets		2,549	6,259
Cash generated from/ (used in) operations		**32,227**	(165,071)
Income taxes (paid)/ received		32,154	18,366
Net cash flows generated from/ (used in) operating activities (A)		**64,381**	(146,705)
B. Cash flow from investing activities:			
Payments for property, plant & equipment and intangible assets including capital work-in-progress and intangible assets under development		(14,583)	(43,068)
Net cash flows used in investing activities (B)		**(14,583)**	(43,068)
C. Cash flow from financing activities:			
Interest paid		(53,091)	(19,497)
Payment of principal portion of lease liabilities		(1,039)	(853)
Proceeds from borrowings from related parties		31,500	252,800
Repayment of borrowings to related parties		(15,100)	(49,500)
Net cash flows generated from/ (used in) financing activities (C)		**(37,730)**	182,950
Net increase/ (decrease) in cash & cash equivalents (A+B+C)		**12,068**	(6,823)
Net cash and cash equivalents at the beginning of the year		13,847	20,670
Cash and cash equivalents as at year end		**25,915**	13,847
Cash and cash equivalents comprise of the following:			
Balance with banks (refer note 7)		25,915	13,847
Cash and cash equivalents as at year end		**25,915**	13,847
Total		**25,915**	13,847
Summary of significant accounting policies	2		

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

The above Special Purpose Cash Flow Statement should be read in conjunction with the accompanying notes

This is the Cash Flow Statement referred to in our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S. R. BATLIBOI & CO. LLP * GURUGRAM *

per Pankaj Chadha
Partner
Membership No.: 091813

Place: Gurugram, India
Date: Sept 1, 2021

For and on behalf of the Board

Vipin Jain
Director

Date: 01/09/2021

Cezary Zawadzinski
Director

Date: 01/09/2021

Dipin Sharma
Regional CFO

Date: 01/09/2021

SMP Automotive Systems Alabama, Inc.
Notes to the Special Purpose Financial Statements

1. Corporate information

SMP Automotive Systems Alabama Inc (SMPAL or 'the Company') was incorporated on June 03, 2015 and domiciled in the United States of America and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The business address of its registered office is Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware, USA. The Company is a 100% subsidiary of its ultimate holding Company, Motherson Sumi Systems Limited (MSSL).

The Special Purpose Ind AS Financial Statements were authorised for issue on the date of signing.

2.1 Significant accounting policies

a) Basis of preparation

These special purpose Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and as applicable in India (Ind AS), for the purpose complying with the financial reporting requirement by MSSL with respect to the inclusion of audited financial statement of the subsidiary companies on the website of the MSSL.

Although, the consolidated Ind AS financial statements of MSSL of the respective years included financial information in respect of the Company, but these special purpose Ind AS financial statements of the Company are the Company's first audited financial statement prepared in accordance with Ind AS.

The financial information prepared under Ind AS included in the Consolidated Ind AS financial statements of MSSL have been used to the extent applicable and relevant, for the purpose of preparing these special purpose Ind AS financial statements and management has not considered any events or circumstances occurring after the respective date of issuance of Consolidated Ind AS financial statements of MSSL for the respective financial years. Also, refer note 37 for details relating to first time adoption exemptions and reconciliation items between previous unpublished financials information and these special purpose financial statements prepared as per Ind AS.

These Special Purpose Ind AS Financial Statements have been prepared on a historical cost basis on an accrual and going concern basis except for certain assets and liabilities measured at fair value as described under respective accounting policies.

The Special Purpose Ind AS Financial Statements are presented in USD and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

b) Current versus non-current classification

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

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Foreign currencies

i. Functional and presentation currency
The Company's functional currency is United States Dollar (USD) and the financial statements are presented in USD.

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

Foreign exchange differences on foreign currency borrowings 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 foreign currencies are translated into functional currency 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.

d) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

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Revenue from development of tools

The Company develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Company recognises revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Company cannot reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Costs to obtain a contract

Such costs are recognised as an asset if there are future economic benefits associated with such costs. These are amortised systematically to match the benefits and such amortisation is netted off with revenue. Such assets are presented as Unamortised Expenditure in note 9 and classified as current and non-current based on the expected amortisation period. In cases where future economic benefits cannot be determined such costs are expensed off as incurred. Amounts unpaid towards such costs are recorded under other liabilities as "Amounts payable to obtain contracts"

Judgments applied in determining amount and timing of revenue

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

i. Determining the timing of satisfaction of tooling development

The Company concluded that revenue for development of tooling is to be recognised over time because the Company's performance does not create asset with an alternative use to the Company since the tools are customised for each customer and the Company has a legally enforceable right to payment of fair value for performance completed to date.

The Company determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in note 6

Contract Assets
A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Company's contract assets are disclosed in note 8 as Unbilled Receivables.

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

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Impairment

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

e) 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 United States of America. 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 special purpose financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

f) Leases

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

As a lessee

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

Right-of-use assets

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

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

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Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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

Short-term leases and leases of low-value assets

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

g) Impairment of non-financial assets

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

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

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

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

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.

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h) Cash and cash equivalents

Cash and cash equivalent include cash at banks and 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i) Inventories

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

Cost of raw material 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 cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average cost basis.

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

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

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

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

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

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

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Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The company measures financial assets at the amortised cost if both the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables and other receivables.

Financial assets at fair value through OCI (debt instruments)

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

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

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

Financial assets designated at fair value through OCI (equity instruments)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. 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. The Company elected to classify irrevocably its non-listed equity investments under this category.

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

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

Derecognition

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

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

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

Impairment of financial asset (ECL)

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

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

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

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

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

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

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount"

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

Financial liabilities

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

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

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

The Company has entered into arrangements with certain banks wherein those banks are appointed as paying agent with regard to payments due to participating suppliers in order to facilitate efficient payment processing and other flexibility to such suppliers, including to manage their cash flow by electing early payment for their invoices. Under the arrangement, if opted for by the supplier, the bank may pay amounts earlier than the due date in respect of invoices owed by the Company and receives settlement from the Company on due date of those invoices.

The Company does not incur any additional interest towards the bank on the amounts due or paid to the suppliers. The Company discloses the amounts owed under such invoices within trade payables because the nature and function of the financial liability remain the same as those of other trade payables.

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 recognised in the profit or loss.

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

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

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

This category generally applies to borrowings and other payables.

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

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

The following table shows various reclassification and how they are accounted for:

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

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

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.

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, and 28)
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 12, 13, 14 and 15)

l) 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 that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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Depreciation methods and useful lives

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

Assets	Useful lives(years)
Buildings	40 years
Plant & Equipment:	
Plant & Machinery	12 years
Electric Installation	30 years
Furniture and fixtures	20 years
Computers: Server & Networks	5 years
Forklifts	8 years

Useful life of assets has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

m) Intangible assets

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

The useful live of intangible assets are as follows:

Assets	Useful lives(years)
Software	5 years

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

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

n) Provisions and contingent liabilities

Provisions

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

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

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

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

Contingent liability

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.

o) Employee benefits

Short-term obligations

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

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The management and board of the Company assesses financial performance and position of the Company and makes strategic decisions.

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

2.2 Significant accounting Judgements, estimates and assumptions

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

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

(i) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

(ii) Revenue from contracts with customers

The Company applies the judgements in respect to transactions relating to tooling development that significantly affect the determination of the amount and timing of revenue from contracts with customers. For more details, refer note 2.1 (d)

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 unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. 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 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 Company.

iii. Percentage completion of recognition of revenue

The Company uses the percentage-of-completion method in accounting for 'development of tools' contracts. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

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Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

iv. Provisions and liabilities

The Company estimates the provisions and liabilities and to the probability of expenses arising from warranty claims and claims from legal disputes that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

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(All amounts in USD'000, unless otherwise stated)

3(a) Property, plant and equipment

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Total	Capital work in progress
Year ended March 31, 2020						
Gross carrying amount						
As at April 01, 2019	1,459	78,200	94,995	33,720	208,374	264
Additions	7	10,680	6,844	3,300	20,831	13,804
Transfers	-	783	1,935	5,975	8,693	(8,693)
At March 31, 2020	1,466	89,663	103,774	42,995	237,898	5,375
Accumulated depreciation						
As at April 01, 2019	-	994	3,348	1,472	5,814	-
Depreciation charge during the year	-	2,601	8,574	4,295	15,470	-
At March 31, 2020	-	3,595	11,922	5,767	21,284	-
Net carrying amount as on March 31, 2020	1,466	86,068	91,852	37,228	216,614	5,375
Year ended March 31, 2021						
Gross carrying amount						
As at April 01, 2020	**1,466**	**89,663**	**103,774**	**42,995**	**237,898**	**5,375**
Additions	-	23	849	1,552	**2,424**	5,933
Transfers	-	879	1,495	1,442	**3,816**	(3,816)
At March 31, 2021	**1,466**	**90,565**	**106,118**	**45,989**	**244,138**	**7,492**
Accumulated depreciation						
As at April 01, 2020	-	**3,595**	**11,922**	**5,767**	**21,284**	-
Depreciation charge during the year	-	2,433	9,105	6,022	**17,560**	-
At March 31, 2021	-	**6,028**	**21,027**	**11,789**	**38,844**	-
Net carrying amount as on March 31, 2021	**1,466**	**84,537**	**85,091**	**34,200**	**205,294**	**7,492**

a) The recorded values of property, plant and equipment as at March 31, 2021 have primarily been allocated to the Company's cash generating unit ('CGU') (i.e. the plant). Based on the Company's five years forecast, management determined the Value-In-Use ('VIU') of the CGUs and no impairment was deemed necessary as at March 31, 2021.

b) The forecasts include future projected revenues, cost reductions and other capital expenditures, which are based on past experiences and expectations about the future. Estimates relating to the future are inherently uncertain and actuals may differ as a result.

c) For details on outstanding commitments related to purchase of property, plant and equipment, refer note 30.

d) As at March 31, 2021, capital work in progress majorly comprises of building amounting to USD 4,820.

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(All amounts in USD'000, unless otherwise stated)

3(b) Right-of-use assets

Particulars	Buildings	Plant & machinery	Office equipment	Vehicles	Total
Year ended March 31, 2020					
Gross carrying amount					
As at April 01, 2019	-	-	-	-	-
Recognised as at April 01, 2019	530	2,001	-	328	2,859
At March 31, 2020	530	2,001	-	328	2,859
Accumulated depreciation					
As at April 01, 2019	-	-	-	-	-
Depreciation charge during the year	299	443	-	128	870
At March 31, 2020	299	443	-	128	870
Net carrying amount as on March 31, 2020	231	1,558	-	200	1,989
Year ended March 31, 2021					
Gross carrying amount					
As at April 01, 2020	**530**	**2,001**	-	**328**	**2,859**
Additions	14	18	162	189	**383**
Disposals/ Adjustments	(526)	(453)	-	(102)	**(1,081)**
At March 31, 2021	**18**	**1,566**	**162**	**415**	**2,161**
Accumulated depreciation					
As at April 01, 2020	**299**	**443**	-	**128**	**870**
Depreciation charge during the year	240	514	98	189	**1,041**
Disposals/ Adjustments	(521)	(85)	-	(67)	**(673)**
At March 31, 2021	**18**	**872**	**98**	**250**	**1,238**
Net carrying amount as on March 31, 2021	-	**694**	**64**	**165**	**923**

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(All amounts in USD'000, unless otherwise stated)

3(c) Intangible assets

Particulars	Software	Intangible assets under development
Year ended March 31, 2020		
Gross carrying amount		
As at April 01, 2019	4,861	44
Additions	859	221
Transfers	94	(94)
At March 31, 2020	5,814	171
Accumulated amortisation		
As at April 01, 2019	473	-
Amortisation charge during the year	1,167	-
At March 31, 2020	1,640	-
Net carrying amount as on March 31, 2020	4,174	171
Year ended March 31, 2021		
Gross carrying amount		
As at April 01, 2020	**5,814**	**171**
Additions	14	44
Transfers	141	(141)
At March 31, 2021	**5,969**	**74**
Accumulated amortisation		
As at April 01, 2020	**1,640**	-
Amortisation charge during the year	1,186	-
At March 31, 2021	**2,826**	-
Net carrying amount as on March 31, 2021	**3,143**	74

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(All amounts in USD'000, unless otherwise stated)

4 Deferred tax assets (net)

	March 31, 2021	March 31, 2020	April 01, 2019
Deferred tax assets			
Unabsorbed depreciation and tax losses	28,500	8,269	25,264
Research and development credit	11,226	8,049	3,583
Interest limitation	6,334	-	2,873
Accrued expenses	4,793	4,008	-
Others	2,773	3,275	-
Deferred tax liabilities			
Property, plant and equipments	(23,353)	(23,321)	(16,801)
Others	-	-	(2,364)
Total	**30,273**	280	12,555

Movement in deferred tax assets

	Beginning balance	(Charged)/ credited to profit and loss	Other adjustment	Closing balance
Year ended March 31, 2021				
Unabsorbed depreciation and tax losses	8,269	20,231	-	28,500
Property, plant and equipments	(23,321)	(32)	-	(23,353)
Research and development credit	8,049	3,177	-	11,226
Interest limitation	-	6,334		6,334
Accrued expenses	4,008	785	-	4,793
Others	3,275	(467)	(35)	2,773
	280	**30,028**	**(35)**	**30,273**
Year ended March 31, 2020				
Unabsorbed depreciation and tax losses	25,264	(16,995)	-	8,269
Property, plant and equipments	(16,801)	(6,520)	-	(23,321)
Research and development credit	3,583	4,466	-	8,049
Interest limitation	2,873	(2,873)	-	-
Accrued expenses	-	4,008	-	4,008
Others	(2,364)	5,639	-	3,275
	12,555	(12,275)	-	280

5 Inventories

	March 31, 2021	March 31, 2020	April 01, 2019
Raw materials	13,381	15,677	15,060
Work-in-progress	2,531	1,872	1,223
Finished goods	564	917	649
Store and spares	6,756	4,690	126
Total	**23,232**	23,156	17,058
Inventory include inventory in transit of:			
Raw materials	1,953	3,011	945

6 Trade receivables

Non-current	March 31, 2021	March 31, 2020	April 01, 2019
Trade Receivables - Unsecured, considered good	21,273	18,375	18,891
Total	**21,273**	18,375	18,891

(i) The carrying amount of the non-current trade receivables as at March 31, 2021 is calculated using discount rates of 3.0%-3.35% (March 31, 2020: 3.0%-3.35%; April 01 2019: 3.0% - 3.35%).

Current	March 31, 2021	March 31, 2020	April 01, 2019
Trade Receivables - Unsecured, considered good	14,664	16,343	11,468
Total	**14,664**	16,343	11,468

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(i) Trade receivables are usually non-interest bearing and are on trade terms of 30 to 60 days.

(ii) The Company has derecognised trade receivables amounting USD 37,994 (March 31, 2020: USD 24,086, April 01, 2019: USD 27,397) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables to financial institution (refer note 15).

(All amounts in USD'000, unless otherwise stated)

7 Cash and cash equivalents

	March 31, 2021	March 31, 2020	April 01, 2019
Balance with banks - in current accounts	25,915	13,847	20,670
Total	**25,915**	13,847	20,670

Change in liabilities arising from financing activities	**April 01, 2020**	**Cash Flow**	**Non cash items***	**March 31, 2021**
Loan from related parties (refer note 35)	480,900	16,400	-	497,300
Lease liabilities (refer note 31)	2,007	(1,096)	27	938
Total liabilities from financing activities	**482,907**	**15,304**	**27**	**498,238**

Change in liabilities arising from financing activities	April 01, 2019	Cash Flow	Non cash items	March 31, 2020
Loan from related parties (refer note 35)	277,600	203,300	-	480,900
Lease liabilities (refer note 31)	2,859	(928)	76	2,007
Total liabilities from financing activities	280,458	202,372	76	482,907

* Non cash items includes new leases taken or termination of lease contracts in case of lease liabilities.

8 Other financial assets

	March 31, 2021	March 31, 2020	April 01, 2019
Unsecured, considered good			
Security deposits	75	49	34
Other receivable from related party (refer note 35)	26,519	46,686	19,608
Unbilled revenue (refer table (i) below)	7,372	44,239	39,158
Others	-	1,500	-
Total	**33,966**	92,474	58,800

(i) **The table below represents summary of contract assets and liabilities relating to contract with customers :**

Particulars	March 31, 2021	March 31, 2020	April 01, 2019
Contract assets			
Trade receivables (refer note 6)	35,937	34,718	30,359
Unbilled revenue	7,372	44,239	39,158

Contract assets are initially recognised for revenue earned from development of tools and secondary equipment as receipt of consideration is conditional on successful completion and acceptance by the customer. These remain unbilled until completion and acceptance by the customer, after which the amounts recognised as contract assets are reclassified to trade receivables. The expected credit loss on contract assets is considered very low and hence no provision for credit loss is recorded in respect of contract assets.

9 Other assets

Non-Current	March 31, 2021	March 31, 2020	April 01, 2019
Unamortised expenditure (refer table (i) below)	6,661	7,953	10,493
Capital advances	-	-	1,376
Total	**6,661**	7,953	11,869

Current	March 31, 2021	March 31, 2020	April 01, 2019
Unamortised expenditure (refer table (i) below)	1,779	2,023	2,023
Advance to suppliers	75	2,357	6,792
Others	-	266	2,091
Total	**1,854**	4,646	10,906

(i) **The table below represents movement in unamortised expenditure (current and non-current) :**

Particulars	March 31, 2021	March 31, 2020
Opening balance	9,976	12,515
Additions during the year	-	-
Amortised during the year	(1,535)	(1,839)
Adjustments	-	(700)
Closing balance	**8,441**	9,976
Current	1,779	2,023
Non-current	6,661	7,953

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(All amounts in USD'000, unless otherwise stated)

10 Equity share capital

	March 31, 2021	March 31, 2020	April 01, 2019
Authorised			
100,000 (March 31, 2020: 100,000) equity shares of USD 0.0001 each	0	0	0
	0	0	0
Issued, subscribed and fully paid up			
1 (March 31, 2020: 1) equity shares of USD 0.0001 each	0	0	0
	0	0	0

a.) Reconciliation of the shares outstanding at the beginning and at the end of the year

	Number	Amount
As at April 01, 2019	1	0
Add: Changes during the year	-	-
As at March 31, 2020	**1**	**0**
Add: Changes during the year	-	-
As at March 31, 2021	**1**	**0**

b.) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of USD 0.0001 per share. Each holder of equity is entitled to one vote per share held. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the shareholder	March 31, 2021		March 31, 2020		April 01, 2019	
	No. of shares	%	No. of shares	%	No. of shares	%
Equity share of USD 0.001 each, fully paid						
SMR Automotive Mirror International USA Inc. (Holding Company)	1	100%	1	100%	1	100%

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

11 Other Equity

(a) Retained earnings

	March 31, 2021	March 31, 2020
Opening balance	(332,677)	(147,137)
Additions during the year	(15,413)	(185,540)
Closing balance	**(348,090)**	(332,677)

(b) Additional paid in Capital*

	March 31, 2021	March 31, 2020
Opening balance	132,318	132,318
Changes during the year	-	-
Closing balance	**132,318**	132,318

* During the year ended March 31, 2019, SMR Automotive Mirror International USA Inc (Holding Company), had forgiven an amount of USD 132,318 representing the outstanding debt including accrued interest and advances paid by Holding Company upto March 31, 2019. The said amount was converted into additional paid in capital by virtue of the resolution dated December 28, 2018 against which no shares were issued by the Company. There is no impact on the ownership of the Company as 100% of the issued shares are held by the Holding Company itself. Since the amount invested is not refundable to the Holding Company, hence, this has been treated as equity in nature and accordingly, disclosed as additional paid-in capital.

12 Borrowings

	March 31, 2021	March 31, 2020	April 01, 2019
Non-current			
Loan from related parties (refer note 35)	497,300	480,900	277,600
Total	**497,300**	480,900	277,600

(i) Loans from related parties represents unsecured loans amounting to:
a) USD 352,300 (March 31, 2020: USD 320,800, April 01, 2019:USD 117,500) obtained from SMR Automotive Vision System Operations USA Inc at an interest rate of 7.5% p.a. (March 31, 2020 - 9.02% p.a., April 01, 2019-5.6%p.a.) and maturing on March 31, 2025.
b) USD 145,000 (March 31, 2020: USD 160,100, April 01, 2019:USD 160,100) from Samvardhana Motherson Automotive Systems Group B.V. at an interest rate of 7.5% p.a. (March 31, 2020 - 9.02% p.a., April 01, 2019-5.6% p.a.) and maturing on March 31, 2024.

(ii) The borrowings do not carry any financial covenants.

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(All amounts in USD'000, unless otherwise stated)

13 Lease liabilities

	March 31, 2021	March 31, 2020	April 01, 2019
Non-current (refer note 31)	299	1,065	2,007
Current (refer note 31)	639	942	852
Total	**938**	2,007	2,859

(i) The effective interest rate for lease liabilities is 4.05%, with maturity between 2021-2024.

14 Trade payables

Non-current	**March 31, 2021**	March 31, 2020	April 01, 2019
Total outstanding dues of creditors other than related parties	300	-	-
Total	**300**	-	-

Current	**March 31, 2021**	March 31, 2020	April 01, 2019
Total outstanding dues of creditors other than related parties	71,567	76,705	49,700
Trade payable to related parties (refer note 35)	2,568	7,749	13,874
Total	**74,135**	84,454	63,574

(i) Trade payables are non-interest bearing and are generally settled on 60-day terms.

(ii) The Company enters into supply chain financing arrangements with its vendors and the financial institutions for its payables. In accordance with Ind AS 109, this arrangement is shown as trade payable. Outstanding SCF as on March 31, 2021 USD 4,288 (March 31, 2020: USD 9,532, April 01, 2019: USD 8,918).

15 Other financial liabilities

Current	**March 31, 2021**	March 31, 2020	April 01, 2019
Employee benefits payable	4,039	6,899	3,369
Interests payable on borrowings to related parties (refer note 35)	9,244	24,164	8,413
Payables relating to purchase of property, plant & equipments	912	7,081	15,810
Liabilities towards bank*	-	-	15,095
Total	**14,195**	38,144	42,687

*Liabilities towards bank represents the amount payable to bank in relation to funds received from the customer which are not due to be paid to factor bank in relation to factoring arrangement (refer note 6).

16 Other liabilities

	March 31, 2021	March 31, 2020	April 01, 2019
Non-current			
Statutory dues payable	1,695	-	-
	1,695	-	-
Current			
Statutory dues payable	1,973	251	431
	1,973	251	431

During the year ended March 31, 2021, the Company has deferred payment of social security payroll taxes amounting to USD 3,390 (March 31, 2020: Nil; April 01, 2019: Nil) under CARES Act. The deferred amount will be paid over a period of two-year, 50% of the amount by December 31, 2021, and the remaining by December 31, 2022.

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(All amounts in USD'000, unless otherwise stated)

17(a) Revenue from contract with customers

17.1 Disaggregated revenue information

Type of goods and services	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales of components	371,055	262,592
Sales of tool development	35,619	58,421
Total	**406,674**	321,013

Timing of revenue recognition	For the year ended March 31, 2021	For the year ended March 31, 2020
At a point in time	371,055	262,592
Over a period of time	35,619	58,421
Total	**406,674**	321,013

Note: There is no material difference between the contract price and the revenue from contract with customers.

17.2 Performance obligation

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Within one year	16,514	25,840
More than one year	38,686	-
Total	**55,200**	25,840

Table below provides information on revenue recognised from :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligations partly satisfied in previous years (i.e. out of unbilled revenue	27,011	13,706

18 Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income	312	1,132
Foreign exchange gain (net)	-	1,673
Miscellaneous income	212	528
Total	**524**	**3,333**

19 Cost of materials consumed

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock of raw materials	20,367	15,186
Add: Purchases of raw materials	248,121	301,472
Less: Closing stock of raw materials	(20,137)	(20,367)
Total	**248,351**	296,291

20 Changes in inventory of finished goods and work in progress

	For the year ended March 31, 2021	For the year ended March 31, 2020
(Increase)/ decrease in stocks		
Stock at the beginning of the year:		
Finished goods	917	649
Work-in-progress	1,872	1,223
Total A	**2,789**	1,872
Stock at the end of the year:		
Finished goods	564	917
Work-in-progress	2,531	1,872
Total B	**3,095**	2,789
(Increase)/ decrease in stocks (A-B)	**(306)**	(917)

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(All amounts in USD'000, unless otherwise stated)

21 Employee benefits expense

	For the year ended	
	March 31, 2021	March 31, 2020
Salary, wages & bonus	98,245	116,669
Contribution to employee welfare funds, payroll tax and other taxes (refer note 27)	10,594	9,482
Staff welfare expenses	2,406	2,133
Total	**111,245**	128,284

22 Depreciation and amortisation expense

	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment (refer note 3(a))	17,560	15,470
Depreciation of Right-of-use assets (refer note 3(b))	1,041	870
Amortization of intangible assets (refer note 3(c))	1,186	1,167
Total	**19,787**	17,507

23 Finance costs

	For the year ended	
	March 31, 2021	March 31, 2020
Interest on lease liabilities (refer note 31)	57	75
Interest on related parties borrowings (refer note 35)	36,817	34,106
Other finance cost	1,296	1,067
Total	**38,170**	35,248

24 Other expenses

	For the year ended	
	March 31, 2021	March 31, 2020
Electricity, water and fuel	3,989	4,684
Repairs and Maintenance:		
Machinery	5,857	5,267
Building	808	1,047
Rent (refer note 31)	2,162	2,711
Rates and taxes	2,081	651
Insurance	3,171	2,120
Travelling and conveyance	226	1,631
Legal & professional fees	10,225	23,069
IT expenses	2,401	2,516
Foreign exchange loss (net)	431	-
Miscellaneous expenses	16,028	22,945
Total	**47,379**	66,641

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(All amounts in USD'000, unless otherwise stated)

25 Income tax expense

a. Income tax expense

	For the year ended	
	March 31, 2021	March 31, 2020
Current tax		
Current income tax	(11,987)	(45,443)
Total current tax expense/ (income)	**(11,987)**	(45,443)
Deferred tax (refer note 4)		
Decrease/ (increase) in deferred tax assets (net)	(30,028)	12,275
Total deferred tax expense/ (benefit)	**(30,028)**	12,275
Income tax expense/ (income)	**(42,015)**	(33,168)

The Company is a part of a tax group of entities which includes SMR Automotive Systems USA Inc, SMR Automotive Vision System Operations USA Inc, SMP Automotive Systems Alabama Inc, and SMR Automotive Mirror International USA Inc (referred as "tax group"). The Intermediate Holding Company (SMR Automotive Vision System Operations USA Inc) files a consolidated tax return on behalf of the tax group and utilizes the tax attributes covering operating losses, dividend income, etc pertaining to respective entities within the tax group. All entities including the Company records intercompany receivable or payable respectively at each reporting date to account for such utilization of the tax attributes.

During the year ended March 31, 2021, the Company has recognised deferred tax assets (net benefit) amounting to USD 30,028, which includes amongst others, deferred tax assets on carried-forward tax losses for the periods prior to the year ended March 31, 2020, which in the absence of convincing evidence were not recognized earlier and also includes deferred tax on temporary differences. The Company has assessed that these deferred tax assets will be fully recovered/ utilised prior to the expiry or lapse of the associated carried forward as per the tax regulations applicable in jurisdiction of the Company. Such assessments include estimates of future taxable income based on the approved business plans and profitability forecasts of the Company.

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

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

	For the year ended	
Reconciliation of the effective tax rate	**March 31, 2021**	March 31, 2020
Loss before tax	**(57,428)**	(218,708)
	21%	21%
Tax at rate of 21%	12,060	45,929
Recognition and utilisation of previously unrecognised tax	28,867	-
Unrecognised tax on losses	-	(13,234)
Tax effect of amounts which are not deductible in calculating taxable income	(9)	-
Effect of tax credits	1,652	-
Other adjustments	(555)	473
Income tax expense/ (credit)	**42,015**	33,168

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(All amounts in USD'000, unless otherwise stated)

26 Earnings per share

	March 31, 2021	March 31, 2020
a) Basic		
Net profit after tax available for equity shareholders	(15,413)	(185,540)
Equity shares outstanding at the beginning of the year	1	1
Weighted average number of equity shares used to compute basic earnings per share	1	1
Basic earnings (in USD) per share of USD 0.0001 each. (March 31, 2020: USD 0.0001 each)	(15,413)	(185,540)
b) Diluted (Refer note (i) below)		
Net profit after tax available for equity shareholders	(15,413)	(185,540)
Weighted average number of equity shares of USD 0.0001 each (March 31, 2020: USD 0.0001 each)	1	1
Diluted earnings (in USD) per share of USD 0.0001 each. (March 31, 2020: USD 0.0001 each)	(15,413)	(185,540)

(i) The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

(ii) The Company has not considered additional paid in capital in calculation of earning per share as no shares were issued by the Company. There is no impact on the ownership of the Company as 100% of the issued shares are held by the Holding Company itself.

27 Employee benefit plans

The Company contributes towards defined contribution plans which receive fixed contributions from the Company and employees. The Company's legal or constructive obligation for these plans is limited to the contribution. The expense recognised in the current period in relation to these contribution was USD 2,393 (March 31, 2020: USD 1,971). The expenses are included in statement of profit and loss under employee benefits expense.

28 Fair value measurement

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

	March 31, 2021	March 31, 2020	April 01, 2019
FINANCIAL ASSETS			
Financial assets at amortised cost			
Trade receivables	35,937	34,718	30,359
Other receivables	33,966	92,474	58,800
Cash and cash equivalents	25,915	13,847	20,670
FINANCIAL LIABILITIES			
Financial Liabilities at amortised cost			
Borrowings:			
Loan from related parties	497,300	480,900	277,600
Finance lease liabilities	938	2,007	2,859
Trade payables	74,435	84,454	63,574
Other financial liabilities	14,195	38,144	42,687

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

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

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

29 Contingent liabilities

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

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

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

(All amounts in USD'000, unless otherwise stated)

30 Capital commitments

The Company has outstanding capital expenditure commitments which represents outstanding amount of contracts for capital expenditure against which work is yet to be executed by the contractor or supplies to be received.

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

	March 31, 2021	March 31, 2020	April 01, 2019
Property, plant and equipment			
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	3,835	875	12,836

31 Leases

The Company elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for premises, plant & machinery, office equipments and vehicles. These lease arrangements for premises are for a period upto 2 years, plant & machinery are for a period upto 5 years, office equipments are for a period upto 3 years and vehicles are for a period upto 5 years. The Company also has certain leases of machinery, computers, vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	March 31, 2021	March 31, 2020	April 01, 2019
Non-current lease liabilities	299	1,065	2,007
Current lease liabilities	639	942	852
Total	**938**	2,007	2,859

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

	March 31, 2021	March 31, 2020
Interest expense on lease liabilities (included in finance cost)	57	75
Depreciation of Right-of-use assets	1,041	870
Lease expense derecognised	1,096	928
Other items included in statement of profit and loss during the year:		
Short term and low value lease payments	2,162	2,711

32 Capital 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 and benefits for stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

33 Segment information

Description of segments and principal activities

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers.

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

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

Party name	March 31, 2021	March 31, 2020
Customer 1	401,838	319,986

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(All amounts in USD'000, unless otherwise stated)

34 Financial risk management

The Company in its capacity as an active supplier for the automobile industry is exposed to various credit, market risk and liquidity risk with each of its products. The regulations, instructions, implementation rules and, in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the Company is exposed to and how it manages the risk.

A. Credit risk

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

Trade receivables

The Company has guidelines for the management of credit risk from trade receivables. The Company's primary customer is major global automobile manufacturer (OEMs) with good credit ratings.
The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. The Company does not hold collateral as security or uses credit enhancements due to leading market positions of its customers.

Set out below is the information about the credit risk exposure on the Company's trade receivables and other receivables:

	Total	Current	Past due				
			< 30 days	30-90 days	90-180 days	180-360 days	>360 days
March 31, 2021							
Trade receivables	35,936	34,379	970	463	100	2	22
Other receivables	33,966	33,966	-	-	-	-	-
March 31, 2020							
Trade receivables	34,718	25,065	2,763	6,693	197	-	-
Other receivables	92,474	90,974	-	-	1,500	-	-
April 01, 2019							
Trade receivables	37,783	33,784	1,386	1,651	962	-	-
Other receivables	58,800	58,800	-	-	-	-	-

B. Liquidity risk

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed. Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom.

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

	March 31, 2021			
	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-Derivative financial liabilities				
Borrowings*	-	497,300	-	497,300
Lease liabilities	685	307	-	992
Trade payables	74,135	300	-	74,435
Other financial liabilities	14,195	-	-	14,195
Total	**89,015**	**497,907**	-	**586,922**
* Accrued interest as of March 31, 2021 is included in other financial liabilities				

	March 31, 2020			
	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-Derivative financial liabilities				
Borrowings*	-	480,900	-	480,900
Lease liabilities	1,020	1,147	-	2,167
Trade payables	84,454	-	-	84,454
Other financial liabilities	38,144	-	-	38,144
Total	**123,618**	**482,047**	-	**605,665**
* Accrued interest as of March 31, 2020 is included in other financial liabilities				

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(All amounts in USD'000, unless otherwise stated)

	April 01, 2019			
	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-Derivative financial liabilities				
Borrowings*	0	277,600	-	277,600
Lease liabilities	852	2,007	-	2,859
Trade payables	63,574	-	-	63,574
Other financial liabilities	42,687	-	-	42,687
Total	**107,113**	**279,607**	-	**386,720**

* Accrued interest as of April 01, 2019 is included in other financial liabilities

C. Market risk

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

a. Price risk

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company. The Group has set up Global Sourcing Procurement (GSP) at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

The major raw materials used by the Company are polypropylenes, polycarbonates and various grades of nylons and resins. The Company is having arrangement with major customers for actualization of raw material price variations periodically. Motherson Polymer Solutions, compounding unit has been established with a view of taking leverage on group's bulk consumption on major grades. The setting up of GSP further strengthens the procurement function.

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

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates arise from borrowings and is relatively low as a borrowings comprises of loans from related parties.

c. Foreign currency risk

Foreign exchange risk arises from monetary receivables and obligations expressed in a currency other than the functional currency of the Company.
The Company's unhedged exposure to foreign currency risk (for major currencies) at the end of the reporting period is as follows:

Particular of unhedged foreign currency exposure and foreign currency sensitivity on unhedged exposure as at the reporting date.

March 31, 2021	Currency	Amount in foreign currency	Amount in USD	Impact on profit before tax	
				Increase by 1% in forex rate	Decrease by 1% in forex rate
Receivables	EURO	2	2	0	0
Payables	EURO	1,859	2,298	(23)	23

March 31, 2020	Currency	Amount in foreign currency	Amount in USD	Impact on profit before tax	
				Increase by 1% in forex rate	Decrease by 1% in forex rate
Receivables	EURO	51	58	1	(1)
Payables	EURO	13,293	14,650	(147)	147

April 01, 2019	Currency	Amount in foreign currency	Amount in USD	Impact on profit before tax	
				Increase by 1% in forex rate	Decrease by 1% in forex rate
Receivables	EURO	33	38	0	0
Payables	EURO	14,548	16,540	(165)	165

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As shown in the table above, the Company is primarily exposed to changes in EURO/USD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from Euro denominated financial instruments. The Company conducted sensitivity analyses at year-end to estimate the currency risk concerning movement in EURO/USD.

(All amounts in USD'000, unless otherwise stated)

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

A Name of the related parties and description of relationships

a. Entities with control over the entity

1	Holding company	SMR Automotive Mirror International USA Inc.
2	Ultimate holding company	Motherson Sumi Systems Limited
3	Intermediate Holding Company	SMR Vision System Operations USA Inc.
4	Intermediate Holding Company	Samvardhana Motherson Automotive Systems Group B.V.

b. Entities where common control exists

1 MSSL Mauritius Holdings Limited
2 Motherson Electrical Wires Lanka Pvt. Ltd.
3 MSSL Mideast (FZE)
4 MSSL (S) Pte Ltd.
5 Motherson Innovations Tech Limited
6 Samvardhana Motherson Polymers Ltd.
7 MSSL (GB) Limited
8 Motherson Wiring System (FZE)
9 MSSL GmbH
10 MSSL Tooling (FZE)
11 Samvardhana Motherson Invest Deutschland GmbH
12 MSSL Advanced Polymers s.r.o
13 Motherson Techno Precision GmbH
14 MSSL s.r.l Unipersonale
15 Motherson Techno Precision México, S.A. de C.V
16 MSSL Australia Pty Ltd
17 MSSL Ireland Pvt. Ltd.
18 Global Environment Management (FZC)
19 Motherson Elastomers Pty Limited
20 Motherson Investments Pty Limited
21 MSSL Global RSA Module Engineering Limited
22 MSSL Japan Limited
23 Vacuform 2000 (Proprietary) Limited.
24 MSSL México, S.A. De C.V.
25 MSSL WH System (Thailand) Co., Ltd
26 MSSL Korea WH Limited
27 MSSL Consolidated Inc., USA
28 MSSL Wiring System Inc., USA
29 Alphabet de Mexico, S.A. de C.V.
30 Alphabet de Mexico de Monclova, S.A. de C.V.
31 Alphabet de Saltillo, S.A. de C.V.
32 MSSL Wirings Juarez S.A. de C.V.
33 MSSL Manufacturing Hungary Kft
34 Motherson Air Travel Pvt. Ltd.
35 MSSL Estonia WH OÜ
36 Samvardhana Motherson Global Holdings Ltd.
37 Samvardhana Motherson Reflectec Group Holdings Limited
38 SMR Automotive Technology Holding Cyprus Ltd.
39 SMR Automotive Holding Hong Kong Limited
40 SMR Automotive Systems France S. A.
41 SMR Automotive Mirror Technology Holding Hungary KFT
42 SMR Patents S.aR.L.
43 SMR Automotive Technology Valencia S.A.U.
44 SMR Automotive Mirrors UK Limited
45 SMR Automotive Systems India Limited
46 SMR Automotive Beijing Company Limited
47 SMR Automotive Yancheng Co. Limited
48 SMR Automotive Mirror Systems Holding Deutschland GmbH
49 SMR Holding Australia Pty Limited
50 SMR Automotive Australia Pty Limited
51 SMR Automotive Mirror Technology Hungary BtT
52 SMR Automotive Modules Korea Ltd
53 SMR Automotive Beteiligungen Deutschland GmbH
54 SMR Hyosang Automotive Ltd.
55 SMR Automotive Mirrors Stuttgart GmbH
56 SMR Automotive Systems Spain S.A.U.
57 SMR Automotive Vision Systems Mexico S.A. de C.V.
58 SMR Grundbesitz GmbH & Co. KG
59 SMR Automotive Brasil LTDA
60 SMR Automotive System (Thailand) Limited

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61 SMR Automotives Systems Macedonia Dooel Skopje
62 SMR Automotive Operations Japan K.K.
63 SMR Automotive (Langfang) Co. Ltd.
64 SMR Mirrors UK Ltd
65 SMR Automotive Mirror Parts and Holdings UK Ltd.
66 Samvardhana Motherson Peguform GmbH
67 SMP Automotive Interiors (Beijing) Co. Ltd
68 SMP Deutschland GmbH
69 SMP Logistik Service GmbH
70 SMP Automotive Solutions Slovakia s.r.o
71 Changchun Peguform Automotive Plastics Technology Co. Ltd
72 Foshan Peguform Automotive Plastics Technology Co. Ltd.
73 SMP Automotive Technology Management Services (Changchun) Co. Ltd.
74 SMP Automotive Technology Iberica S.L
75 Samvardhana Motherson Peguform Barcelona S.L.U
76 SMP Automotive Technologies Teruel Sociedad Limitada
77 Samvardhana Motherson Peguform Automotive Technology Portugal S.A
78 SMP Automotive Systems Mexico S.A. de C.V
79 SMP Automotive Produtos Automotivos do Brasil Ltda.
80 SMP Automotive Exterior GmbH
81 Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
82 Samvardhana Motherson Innovative Autosystems Holding Company BV
83 SM Real Estate GmbH
84 Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V
85 SMP Automotive Systems Alabama Inc.
86 Motherson Innovations Company Limited
87 Motherson Innovations Deutschland GmbH
88 Samvardhana Motherson Global (FZE)
89 SMR Automotive Industries RUS Limited Liability Company
90 Celulosa Fabril (Cefa) S.A.
91 Modulos Ribera Alta S.L. Unipersonal
92 Motherson Innovations Lights GmbH & Co KG
93 Motherson Innovations Lights Verwaltungs GmbH
94 PKC Group Oy
95 PKC Wiring Systems Oy
96 PKC Group Poland Sp. z o.o.
97 PKC Wiring Systems Llc
98 PKC Group APAC Limited
99 PKC Group Canada Inc.
100 PKC Group USA Inc.
101 PKC Group Mexico S.A. de C.V.
102 Project del Holding S.a.r.l.
103 PK Cables do Brasil Ltda
104 PKC Eesti AS
105 TKV-sarjat Oy
106 PKC SEGU Systemelektrik GmbH
107 Groclin Luxembourg S.à r.l.
108 PKC Vehicle Technology (Suzhou) Co., Ltd.
109 AEES Inc.
110 PKC Group Lithuania UAB
111 PKC Group Poland Holding Sp. z o.o.
112 OOO AEK
113 Kabel-Technik-Polska Sp. z o.o.
114 AEES Power Systems Limited partnership
115 T.I.C.S. Corporation
116 Fortitude Industries Inc.
117 AEES Manufactuera, S. De R.L de C.V.
118 Cableodos del Norte II, S. de R.L de C.V.
119 Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
120 Arneses y Accesorios de México, S. de R.L de C.V.
121 Asesoria Mexicana Empresarial, S. de R.L de C.V.
122 Arneses de Ciudad Juarez, S. de R.L de C.V.
123 PKC Group de Piedras Negras, S. de R.L. de C.V.
124 PKC Group AEES Commercial S. de R.L de C.V
125 Jiangsu Huakai-PKC Wire Harness Co., Ltd.
126 PKC Vechicle Technology (Hefei) Co, Ltd.
127 Shangdong Huakai-PKC Wire Harness Co. Ltd.
128 Shenyang SMP Automotive Plastic Component Co. Ltd.
129 Tianjin SMP Automotive Component Company Limited
130 SMRC Automotive Holdings B.V.

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132 SMRC Automotives Techno Minority Holdings B.V.
133 SMRC Smart Automotive Interior Technologies USA, LLC
134 SMRC Automotive Modules France SAS
135 Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
136 SMRC Automotive Interiors Spain S.L.U.
137 SMRC Automotive Interior Modules Croatia d.o.o
138 Samvardhana Motherson Reydel Autotecc Morocco SAS
139 SMRC Automotive Technology RU LLC
140 SMRC Smart Interior Systems Germany GmbH
141 SMRC Automotive Interiors Products Poland SA
142 SMRC Automotive Solutions Slovakia s.r.o.
143 SMRC Automotive Holding South America B.V.
144 SMRC Automotive Modules South America Minority Holdings B.V.
145 SMRC Automotive Tech Argentina S.A.
146 SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda
147 SMRC Automotive Products India Limited
148 SMRC Automotive Interiors Management B.V. (liquidated w.e.f. March 24, 2021)
149 SMRC Automotive Smart Interior Tech (Thailand) Ltd.
150 SMRC Automotive Interiors Japan Ltd.
151 Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.
152 PT SMRC Automotive Technology Indonesia
153 Yujin SMRC Automotive Techno Corp.
154 SMRC Automotives Technology Phil Inc.
155 Motherson Innovations LLC, USA
156 Motherson Ossia Innovations LLC, USA
157 Samvardhana Motherson Corp Management Shanghai Co Ltd.
158 Motherson Rolling Stock Systems GB Ltd.
159 Motherson PKC Harness Systems FZ-LLC
160 Wisetime Oy
161 Re-time Pty Limited
162 Motherson Sumi Wiring India Limited
163 SMP Automotive Interior Modules d.o.o. Ćuprija, Serbia
164 Motherson Rolling Stocks S. de R.L. de C.V.
165 Shenyang SMP Automotive Trim Co., Ltd., China
166 Motherson Business Service Hungary Kft
167 PKC Vehicle Technology (Fuyang) Co., Ltd.
168 Motherson Polymers Compounding Solution Limited (merged with Motherson Sumi Systems Limited on September 30, 2020)
169 MSSL M Tooling Ltd (liquidated w.e.f. 30.10.2020)
170 Samvardhana Motherson Polymers Management Germany GmbH (merged with MSSL GmbH on August 30, 2019)
171 PKC Netherlands Holding B.V. (Liquidated on July 31, 2019)
172 PK Cables Nederland B.V. (Liquidated on July 31, 2019)
173 SMR Automotive Servicios Mexico S.A. de C.V. (liquidated on July 2, 2019)

c. Other related parties
1 Samvardhana Motherson International Limited
2 Motherson Auto Ltd.
3 Motherson Sumi Infotech and Designs Limited
4 MSID US Inc
5 Saks Ancillaries Limited
6 Motherson Air Travel Agency GmbH
7 Motherson Auto Engineering Service Ltd.
8 Samvardhana Motherson Virtual Analysis Ltd.
9 Motherson Advanced Tooling Solutions Ltd
10 Anest Iwata Motherson Limited
11 Anest Iwata Motherson Coating Equipment Pvt Ltd
12 Motherson Consultancies Service Limited
13 Samvardhana Motherson Auto Component Pvt. Ltd.
14 Matsui Technologies India Limited
15 Kyungshin Industrial Motherson Private Limited
16 Calsonic Kansei Motherson Auto Products Private Limited
17 Motherson Air Travel Agencies Limited
18 Samvardhana Motherson Auto System Pvt. Ltd.
19 MS Global India Automotive Private Limited
20 Samvardhana Motherson Adsys Tech Limited
21 MothersonSumi Infotekk And Designs GmbH
22 MothersonSumi Infotech And Designs SG Pte Ltd
23 MothersonSumi Infotech And Designs KK
24 Motherson Infotek Designs Mid East FZ-LLC
25 Motherson Infotech and Solutions UK Limited, U.K.
26 SMI Consulting Technologies Inc
27 Motherson Information Technologies Spain S.L.U.

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28 Motherson Sintermetal Technology Ltd.
29 Motherson Sintermetal Technology B.V.
30 Motherson Sintermetal Products S.A.
31 Samvardhana Motherson Innovative solutions Limited (erst Tiger connect)
32 Motherson Machinery and Automations Ltd.
33 Samvardhana Motherson Finance Services Cyprus Ltd.
34 Samvardhana Motherson Refrigeration Product Ltd. (Zanotti Refrigeration)
35 Samvardhana Motherson Holding (M) Pvt. Ltd. Mauritius
36 Motherson Invenzen XLab Pvt. Ltd.
37 Motherson Moulds and Diecasting Ltd.
38 Samvardhana Motherson Health Solution Limited
39 Samvardhana Motherson Global Carriers Limited
40 Samvardhana Motherson Hamakyorex Engineered Logistics Ltd. (erst 4PL Value)
41 Samvardhana Motherson Maadhyam International Limited
42 Samvardhana Employees Welfare Trust
43 Motherson Techno Tools Ltd.
44 Motherson Techno Tools Mideast (FZE)
45 CTM India Limited.
46 Hubei Zhengao PKC Automotive wiring Company Ltd.
47 Eissmann SMP Automotive Interieur Slovensko s.r.o.
48 Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.
49 Chongqing SMR Huaxiang Automotive Products
50 Tianjin SMR Huaxiang Automotive Part Co. Limited
51 Valeo Motherson Thermal Commercial Vehicle India Ltd. (formerly Spheros)
52 Nissin Advanced Coating Indo Co. Pvt. Ltd.
53 Fritzmeier Motherson Cabin Engineering Pvt. Ltd.
54 Marelli Motherson Automotive Lighting India Private Ltd.
55 Marelli Motherson Auto Suspension Parts Pvt Ltd
56 AES (India) Engineering Ltd.
57 Frigel Intelligent Cooling Systems India Pvt. Ltd.
58 Motherson Bergstrom HVAC Solutions Pvt. Ltd.
59 Youngshin Motherson Auto Tech Limited

d. Key Managerial Personnel

1 Mr. Sukant Gupta, Director
2 Mr. Vipin Jain, Director
3 Mr. Cezary Zawadzinski, Director
4 Mr. John Lawson, Plant Head
5 Mr. Earl Rhyno, Exterior Head
6 Mz. Rhonda Salter Scarborough, HR Head
7 Mr. Dipin Sharma, Regional CFO
8 Mr. Puneet Jain, Finance Head

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(All amounts in USD'000, unless otherwise stated)

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

Compensation to key managerial personnel of the Company

	March 31, 2021	March 31, 2020
Short-term employee benefits	1,046	362
Total compensation paid to key management personnel	**1,046**	**362**

Details of related party transactions

	Year ended March 31, 2021					
	Ultimate Parent	Holding Company	Immediate Parent	Fellow Subsidiaries	Other related parties	Total
Purchases	1,095	-	-	299	-	**1,394**
Miscellaneous expenses	0	22	1,077	10,065	2,112	**13,276**
Loans taken	-	-	31,500	-	-	**31,500**
Repayment of loans taken	-	-	15,100	-	-	**15,100**
Interests expenses	-	-	36,817	-	-	**36,817**
Miscellaneous income	-	-	11,987	-	-	**11,987**

Details of related party balances

	Year ended March 31, 2021					
	Ultimate Parent	Holding Company	Immediate Parent	Fellow Subsidiaries	Other related parties	Total
Other receivables	5	-	26,501	14	-	**26,520**
Trade and other payables	119	4	-	2,341	103	**2,567**
Other liabilities	-	-	9,244	-	-	**9,244**
Loans payable	-	-	497,300	-	-	**497,300**

Details of related party transactions

	Year ended March 31, 2020					
	Ultimate Parent	Holding Company	Immediate Parent	Fellow Subsidiaries	Other related parties	Total
Purchases	2,426	-	-	3,179	-	**5,605**
Miscellaneous expenses	107	-	1,907	13,391	2,976	**18,381**
Loans taken	-	-	203,300	49,500	-	**252,800**
Repayment of loans taken	-	-	-	49,500	-	**49,500**
Interests expense	-	-	33,855	250	-	**34,105**
Miscellaneous income	-	-	45,443	100	-	**45,543**

Details of related party balances

	Year ended March 31, 2020					
	Ultimate Parent	Holding Company	Immediate Parent	Fellow Subsidiaries	Other related parties	Total
Other receivables	-	-	46,679	8	-	**46,687**
Trade and other payables	174	-	1,251	5,916	407	**7,748**
Other liabilities	-	-	24,162	2	-	**24,164**
Loans payable	-	-	480,900	-	-	**480,900**

Details of related party balances

	Year ended April 01, 2019					
	Ultimate Parent	Holding Company	Immediate Parent	Fellow Subsidiaries	Other related parties	Total
Other receivables	125	-	18,999	484	-	**19,608**
Trade and other payables	161	-	-	13,800	301	**14,262**
Other liabilities	-	-	8,420	-	-	**8,420**
Loans payable	-	-	277,600	-	-	**277,600**

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36 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company's operations have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by government, due to which the operations were suspended for a large part of first quarter of the financial year and resumed gradually with prescribed regulations and precautions and reached upto the pre-pandemic outbreak levels. Accordingly, the Special Purpose Ind AS Financial Statements for the year ended March 31, 2021 are not strictly comparable with those of previous year.

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers;(ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets to be recoverable. The impact of COVID-19 on the Company's Special Purpose Ind AS Financial Statements may differ from that estimated as at the date of approval of these financial statements.

37 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2021, the comparative information presented in these financial statements for the year ended March 31, 2020 and preparation of an opening Ind AS balance sheet at April 01, 2019 (the Company's date of transition).

In previous years, management had prepared the financial information of the Company for the purpose of consolidated financial statements prepared under Ind AS, of its ultimate Holding Company namely, Motherson Sumi Systems Limited. However, no complete set of separate financial statements had been issued until now. Therefore, these financial statements are considered as First time adopted financial statements in accordance with Ind AS 101, " First-time Adoption of Indian Accounting Standards"

For the purpose of preparing these first Ind AS financial statements, the Company has elected to measure all its assets and liabilities at the values which were reported in the consolidated financial statements prepared under Ind AS, of its ultimate Holding Company, namely Motherson Sumi Systems Limited System Limited, by availing the "Deemed Cost" exemption as per Para D16 of Ind AS 101, as per which if a subsidiary becomes a first-time adopter of Ind AS later than its parent company, it is permitted to measure its assets and liabilities at the same amounts that were included in parent's consolidated financial statements for the same period.

For assets and liabilities which are not included in Consolidated Financial Statements of Motherson Sumi Systems Limited, the financial information has been prepared according to the applicable provisions of Indian Accounting Standards during the previous years and therefore, no impact of transition at the date of first time adoption has been noted. Therefore, there are no reconciliation items as on the date of transition.

38 The Company has incurred loss of USD 15,413 during the year ended March 31, 2021 (USD 185,540 during the year ended March 31, 2020) and has accumulated losses of USD 348,090 as at March 31, 2021 (USD 332,677 as at March 31, 2020; USD 147,137 as at April 01, 2019).

However, the Company has commitment of financial support from the intermediate Holding Company, 'Samvardhana Motherson Automotive Systems Group B.V.' for meeting its liabilities as and when they fall due for next 12 months from the date of approval of Special Purpose Ind AS Financial Statements as of March 31, 2021.

On the above basis, the management is of the opinion that there is no going concern issue with the Company and accordingly the financial statements have been prepared on going concern basis.

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha
Partner
Membership No.: 091813

S. R. BATLIBOI & CO. LLP
GURUGRAM

Place: GURUGRAM
Date: Sept 1, 2021.

For and on behalf of the Board

Vipin J

Vipin Jain
Director

Date: 01/09/2021

Cezary Zawadzinski
Director

Date: 01/09/2021

Dipin Sharma
Regional CFO

Date: 01/09/2021