MS GLOBAL INDIA AUTOMOTIVE PRIVATE LIMITED
Balance sheet as at March 31, 2022

(All amounts in INR Lakhs, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,383.43	16,359.54
Capital work in progress	3	33.71	28.75
Right-of-use assets	39	1,082.19	1,202.17
Financial assets			
i. Investments	4	2.74	2.74
ii. Other financial assets	7	227.69	193.09
Non-current tax assets (net)	9	237.28	568.50
Deferred tax assets (net)	8	-	-
Other non-current assets	10	56.18	94.03
Total non-current assets		**16,023.22**	**18,448.82**
Current assets			
Inventories	11	3,730.75	2,837.05
Contract assets	20	-	558.78
Financial assets			
i. Trade receivables	5	6,082.53	5,526.70
ii. Cash and cash equivalents	6	289.32	29.16
Other current assets	12	143.41	356.43
Total current assets		**10,246.01**	**9,308.12**
Total assets		**26,269.23**	**27,756.94**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	7,000.00	7,000.00
Other equity			
Reserves and surplus	14	(12,845.85)	(10,247.29)
Total equity		**(5,845.85)**	**(3,247.29)**
Liabilities			
Non current liabilities			
Financial liabilities			
i. Borrowings	15(a)	1,500.00	3,500.00
ii. Lease liabilities	39	718.48	819.49
Employee defined benefit liabilities	18	340.55	315.07
Total non-current liabilities		**2,559.03**	**4,634.56**
Current liabilities			
Contract liabilities	20	-	831.98
Financial Liabilities			
i. Borrowings	15(b)	20,564.33	17,774.64
ii. Lease liabilities	39	101.01	92.27
Iii. Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises and		266.98	38.16
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,834.17	6,521.77
iv. Other financial liabilities	17	804.69	511.25
Employee defined benefit liabilities	18	157.51	150.28
Other current liabilities	19	827.36	449.32
Total current liabilities		**29,556.05**	**26,369.67**
Total liabilities		**32,115.08**	**31,004.23**
Total equity and liabilities		**26,269.23**	**27,756.94**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S. R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration number: 301003E/E300005

ANIL MEHTA
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Date: 2022.05.19 22:57:36 +05'30'

per Anil Mehta
Partner
Membership No.: 095812
Place:New Delhi

For and on behalf of the Board of Directors of
MS Global India Automotive Private Limited

PARTHASARATHY SRINIVASAN
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Parthasarathy Srinivasan
Director
DIN : 01039931
Place:Noida

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Lata Unnikrishnan
Director
DIN : 08391470
Place:Sharjah

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Srinivasan CS
Chief Financial Officer
Place:Chennai

Anbarasan Robin
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Anbarasan Robin
Chief Operating Officer
Place:Chennai

MS GLOBAL INDIA AUTOMOTIVE PRIVATE LIMITED
Statement of profit and loss for the year ended March 31, 2022

(All amounts in INR Lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue			
Revenue from contract with customers	20	46,659.78	26,863.98
Other income	21	186.55	119.27
Total income		**46,846.33**	**26,983.25**
Expenses			
Cost of materials consumed	22	36,899.06	21,050.49
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	23	(169.15)	178.56
Employee benefit expense	24	3,549.19	2,989.24
Depreciation and amortization expense	25	2,771.32	2,498.03
Finance costs	26	2,258.28	2,164.95
Other expenses	27	4,171.79	2,671.49
Total expenses		**49,480.49**	**31,552.76**
Profit / (loss) before tax		**(2,634.16)**	**(4,569.51)**
Tax expenses			
-Adjustment of tax relating to earlier periods. [(reversal)/credit]	28	-	(61.34)
Total tax expense		**-**	**(61.34)**
Profit / (loss) for the year		**(2,634.16)**	**(4,508.17)**
Other comprehensive income / (loss)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of post-employment benefit obligations		35.60	(0.51)
Other comprehensive profit / (loss) for the year, net of tax		**35.60**	**(0.51)**
Total comprehensive income / (loss) for the year		**(2,598.56)**	**(4,508.68)**
Earnings per share: (refer note 29)			
Nominal value per share: INR 10/- (Previous year : INR 10/-)			
Basic		(3.76)	(6.44)
Diluted		(3.76)	(6.44)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of these financial statements

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

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Date: 2022.05.19 22:58:04 +05'30'

per Anil Mehta
Partner
Membership No.: 095812
Place:New Delhi

For and on behalf of the Board of Directors of
MS Global India Automotive Private Limited

PARTHASARATHY SRINIVASAN
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Date: 2022.05.19 22:03:24 +05'30'

Parthasarathy Srinivasan
Director
DIN : 01039931
Place:Noida

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Lata Unnikrishnan
Director
DIN : 08391470
Place:Sharjah

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Srinivasan CS
Chief Financial Officer
Place:Chennai

Anbarasan Robin
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Date: 2022.05.19 21:53:38 +05'30'

Anbarasan Robin
Chief Operating Officer
Place:Chennai

MS GLOBAL INDIA AUTOMOTIVE PRIVATE LIMITED
Statement of changes in equity as on March 31, 2022

(All amounts in INR Lakhs, unless otherwise stated)

A. Equity share capital	Notes	Amount
As at April 1, 2020	**13**	**7,000.00**
Changes in Equity Share capital		-
As at March 31, 2021	**13**	**7,000.00**
Changes in Equity Share capital		-
As at March 31, 2022	**13**	**7,000.00**

B. Other equity

	Note	Retained Earnings	Total
Balance as at April 1, 2020	**14**	**(5,738.61)**	**(5,738.61)**
Loss for the year		(4,508.17)	(4,508.17)
Other comprehensive income		(0.51)	(0.51)
Total comprehensive income for the year	**14**	**(4,508.68)**	**(4,508.68)**
Balance at March 31, 2021	**14**	**(10,247.29)**	**(10,247.29)**
Loss for the year		(2,634.16)	(2,634.16)
Other comprehensive income		35.60	35.60
Total comprehensive income for the year	**14**	**(2,598.56)**	**(2,598.56)**
Balance at March 31, 2022	**14**	**(12,845.85)**	**(12,845.85)**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S. R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration number: 301003E/E300005

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Date: 2022.05.19 22:58:26 +05'30'

per Anil Mehta
Partner
Membership No.: 095812
Place:New Delhi

For and on behalf of the Board of Directors of
MS Global India Automotive Private Limited

PARTHASARATHY SRINIVASAN
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Date: 2022.05.19 22:03:45 +05'30'

Parthasarathy Srinivasan
Director
DIN : 01039931
Place:Noida

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Lata Unnikrishnan
Director
DIN : 08391470
Place:Sharjah

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Srinivasan CS
Chief Financial Officer
Place:Chennai

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Date: 2022.05.19 21:55:41 +05'30'

Anbarasan Robin
Chief Operating Officer
Place:Chennai

MS GLOBAL INDIA AUTOMOTIVE PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2022

(All amounts in INR Lakhs, unless otherwise stated)

		For the year ended	
		March 31, 2022	March 31, 2021
A.	**Operating activities:**		
	Loss before tax	(2,634.16)	(4,569.51)
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	2,771.32	2,498.03
	Loss on disposal of property, plant & equipment (net)	0.02	-
	Provision for doubtful debts / advances	-	81.65
	Provision no longer required written back	(16.18)	-
	Provision for slow moving and non moving inventory	91.13	86.36
	Interest income	(71.35)	(24.79)
	Finance costs	2,258.28	2,164.96
	Unrealised exchange differences on foreign currency transactions (net)	(3.67)	(61.00)
	Operating profit before working capital changes	**2,395.39**	**175.70**
	Change in working Capital:		
	Increase/(Decrease) in Trade payables	544.89	1,796.62
	Increase/(Decrease) in Other current liabilities	510.25	499.36
	Increase/(Decrease) in Contract liabilities	(831.98)	(2,118.72)
	Increase/(Decrease) in employee benefit obligations	68.31	38.08
	(Increase)/Decrease in Trade Receivables and Contract assets	19.13	2,763.30
	(Increase)/Decrease in Inventories	(984.83)	(619.48)
	(Increase)/Decrease in other financial assets	(34.60)	43.29
	(Increase)/Decrease in Other current assets	213.02	2,859.91
	(Increase)/Decrease in Other non-current assets	37.85	305.73
	Cash generated from operations	**1,937.43**	**5,743.79**
	- (Taxes paid) / refund received (net)	331.22	117.64
			-
	Net cash generated from operations	**2,268.65**	**5,861.43**
B.	**Investing activities:**		
	Purchase of property, plant & equipment	(784.89)	(2,080.21)
	Proceeds from sale of property, plant & equipment	-	28.51
	Interest received	71.35	24.79
	Net cash used in investing activities	**(713.54)**	**(2,026.91)**
C.	**Financing activities:**		
	Interest paid	(1,913.89)	(1,968.44)
	Payment of lease liabilities	(170.75)	(170.74)
	Proceeds / (Repayment) long term debts	(2,000.00)	(2,000.00)
	Proceeds / (Repayment) of working capital and other loans repayable on demand (net)	2,289.69	319.00
	Proceeds / (Repayment) of other short term borrowings	500.00	-
	Net cash (used in)/ from financing activities	**(1,294.95)**	**(3,820.18)**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**260.16**	**14.34**
	Net Cash and cash equivalents at the beginning of the year	**29.16**	**14.82**
	Cash and cash equivalents as at the end of the year	**289.32**	**29.16**
	Cash and cash equivalents comprise of the following (Note 6)		
	Cash on hand	0.05	0.05
	Balances with banks in current accounts	289.27	29.11
	Cash and cash equivalents as per Balance Sheet	**289.32**	**29.16**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of these financial statements

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per Anil Mehta
Partner
Membership No.: 095812
Place:New Delhi

For and on behalf of the Board of Directors of
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Chief Financial Officer
Place:Chennai

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Date: 2022.05.19 21:54:12 +05'30'

Anbarasan Robin
Chief Operating Officer
Place:Chennai

1. Corporate Information

MS Global India Automotive Private Limited ('The Company') was incorporated on August 3, 2011, under the provisions of Companies Act applicable in India. The Company is domiciled in India. The Company is principally engaged in business of manufacturing of press stamping parts for passenger cars and commercial vehicles.

The Company's Financial Statements were authorized for issue in accordance with a resolution of the Directors on May 19, 2022.

2. Significant accounting policies

2.1. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The Company based on their business projections and financial support letter from holding Company has prepared these financial statements on going concern basis.

New and amended standards and interpretations

The Company has not early adopted any standards or amendments that have been issued but are not yet effective.
The nature and effect of the changes as a result of adoption of these accounting standards are described below.

Amendments to Ind AS 116: Covid-19- Related Rent Concessions.

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

This amendment had no impact on the financial statements of the Company as the company has not availed any rent concessions.

Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116 The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

2.2. Summary of significant accounting policies

(a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(b) Foreign Currencies

The financial statements are presented in Indian Rupees, which is the functional currency of the Company.

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

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

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

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

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

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

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

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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.

(d) Revenue from contracts with customers

Revenue from contracts with customers is recognized 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. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company assumed that Goods and Service Tax (GST) is not received by the Company on its own account. Rather it is tax collected on the value added to the commodity by the seller on behalf of the government. Accordingly, it is executed from revenue.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit terms are 60 days from the invoice date.

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 goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Company does not receive any long-term advances from customers.

Sale of tools

The Company recognizes revenue from sale of tools over time, using percentage of completion to measure the progress towards complete satisfaction of the performance obligation, because the Company has an enforceable right to payment for performance completed to date.

Contract balances

<u>Contract assets</u>

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

<u>Trade receivables</u>

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

<u>Contract liabilities</u>

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

(e) Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Upon adoption of the Appendix C to Ind AS 12, The Company applies significant judgment in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately in the Balance Sheet.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 as given below:

Assets category	**Estimated useful life**
Buildings	30 years
Plant & Machinery	15 years
Furniture & Fittings	10 years
Computers	3 years
Tools and equipment	15 years
Motor Vehicles – Cars	8 years

The Company, based on management estimate, depreciates certain items of plant and machinery & tools and equipments over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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.

The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Company considers the shift usage of assets, the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

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

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(h) 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 for consideration.

Company as lessee

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

- Plant and Machinery – 10 years
- Vehicle – 5 years

- Leasehold land – 99 years

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

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

Lease Liabilities

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

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

The Company's lease liabilities are included under Financial Liabilities (refer note 39).

Short-term leases and leases of low-value assets

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

(i) Inventories

Inventories are valued at the lower of cost and net realizable value.

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

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

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

(j) 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 of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

Goodwill is tested for impairment annually as at the year end, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

(k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is revised annually.

(l) Retirement and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. There Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Other employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(m) 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, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. 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 a 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 th 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 amortized 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.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

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

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

Financial instruments at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

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

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

Debt instruments 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 P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

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

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. 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.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized 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.

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Financial assets that are debt instruments and are measured as at FVTOCI
- 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 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include Borrowings, trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

• Financial liabilities at fair value through profit or loss

• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated 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 recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

De-recognition

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

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to the shareholders (after deducting preference dividends and attributable taxes) 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, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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

(All amounts in INR Lakhs, unless otherwise stated)

3. Property, plant and equipment

Particulars	Building	Plant and Machinery	Motor vehicles - Cars	Tools and equipment	Furniture and fixtures	Computers	Total	Capital work-in-progress
Gross carrying amount								
As at April 1, 2020	6,966.21	16,702.74	19.45	811.04	162.42	294.83	24,956.69	-
Additions	292.52	41.81	-	21.68	16.30	42.86	415.17	28.75
Disposals	-	-	-	(29.36)	-	-	(29.36)	-
As at March 31, 2021	**7,258.73**	**16,744.55**	**19.45**	**803.36**	**178.72**	**337.69**	**25,342.50**	**28.75**
Additions	91.87	559.40	-	13.75	2.31	7.92	675.25	33.71
Disposals	-	-	-	-	-	(0.03)	(0.03)	(28.75)
As at March 31, 2022	**7,350.60**	**17,303.95**	**19.45**	**817.11**	**181.03**	**345.58**	**26,017.72**	**33.71**
Accumulated depreciation								
As at April 1, 2020	394.53	5,748.17	13.39	295.76	57.15	96.76	6,605.76	-
Charge for the year	235.70	1,953.47	3.34	74.85	21.63	89.06	2,378.05	-
Disposals	-	-	-	(0.85)	-	-	(0.85)	-
As at March 31, 2021	**630.23**	**7,701.64**	**16.73**	**369.76**	**78.78**	**185.82**	**8,982.96**	**-**
Charge for the year	243.13	2,214.06	2.72	74.49	22.54	94.40	2,651.34	-
Disposals	-	-	-	-	-	(0.01)	(0.01)	-
As at March 31, 2022	**873.36**	**9,915.70**	**19.45**	**444.25**	**101.32**	**280.21**	**11,634.29**	**-**
Net carrying amount as at March 31, 2021	**6,628.50**	**9,042.91**	**2.72**	**433.60**	**99.94**	**151.87**	**16,359.54**	**28.75**
Net carrying amount as at March 31, 2022	**6,477.24**	**7,388.25**	**-**	**372.86**	**79.71**	**65.37**	**14,383.43**	**33.71**

Refer to note 36 for information on property plant and equipment pledged as security by the Company.

3.1. Ageing schedule for Capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	33.71	-	-	-	**33.71**
Projects temporarily suspended	-	-	-	-	**-**
Total	**33.71**	**-**	**-**	**-**	**33.71**
As at 31 March 2021					
Projects in progress	28.75	-	-	-	**28.75**
Projects temporarily suspended	-	-	-	-	**-**
	28.75	**-**	**-**	**-**	**28.75**

Since there is no CWIP, whose completion is overdue or has exceeded its cost compared to its original plan, the related disclosure has been dispensed with.

(All amounts in INR Lakhs, unless otherwise stated)

4. Non-Current investments

	March 31, 2022	March 31, 2021
Investments		
(Unquoted instruments valued at cost unless stated otherwise)		
25,000 Equity shares in OPG Power Generation Pvt Ltd	2.74	2.74
Total Investments	**2.74**	**2.74**
Aggregate carrying value of unquoted investments	2.74	2.74

5. Trade receivables

	March 31, 2022	March 31, 2021
	Current	Current
Trade receivables		
Unsecured, considered good	6,082.53	5,526.70
Trade Receivables - credit impaired	434.73	450.91
	6,517.26	**5,977.61**
Less: Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(434.73)	(450.91)
Total	**6,082.53**	**5,526.70**

Trade receivables are non-interest bearing and are generally on terms of 60 days.

5.1 Ageing schedule for Trade receivables:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022						
Undisputed Trade Receivables – considered good	6,082.53	-	-	-	-	6,082.53
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	28.37	20.20	114.96	271.20	434.73
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	**6,082.53**	**28.37**	**20.20**	**114.96**	**271.20**	**6,517.26**
As at 31 March 2021						
Undisputed Trade Receivables – considered good	5,526.70	-	-	-	-	5,526.70
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	57.20	122.51	260.52	10.68	450.91
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	**5,526.70**	**57.20**	**122.51**	**260.52**	**10.68**	**5,977.61**

6. Cash and cash equivalent *

	March 31, 2022	March 31, 2021
Balances with banks:		
- in current accounts	289.27	29.11
- deposits with original maturity of less than three months	-	-
Cash on hand	0.05	0.05
Total	**289.32**	**29.16**

* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and the previous year.

Changes in liabilities arising from financing activities

For the year ended March 31, 2022

Particulars	April 1, 2021	Net cash flows	Others	March 31, 2022
Current borrowings	15,774.64	2,789.69	-	18,564.33
Non- current borrowings (including current maturities)	5,500.00	(2,000.00)	-	3,500.00
Total liabilities from financing activities	**21,274.64**	**789.69**	**-**	**22,064.33**

For the year ended March 31, 2021

Particulars	April 1, 2020	Net cash flows	Others	March 31, 2021
Current borrowings	15,455.64	319.00	-	15,774.64
Non- current borrowings (including current maturities)	7,500.00	(2,000.00)	-	5,500.00
Total liabilities from financing activities	**22,955.64**	**(1,681.00)**	**-**	**21,274.64**

7. Other financial assets

(Unsecured, considered good)	March 31, 2022	March 31, 2021
	Non-current	Non-current
Security Deposits	202.47	169.87
Bank deposits - with remaining maturity more than 12 months	25.22	23.22
Total	**227.69**	**193.09**

8. Deferred tax assets (Net)

Year ended March 31, 2022

	As at April 1, 2021	(Charge)/ credit to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	As at March 31, 2022
Property, plant and equipment and intangible assets	(595.94)	92.63	-	(503.31)
Total deferred tax liabilities	**(595.94)**	**92.63**	**-**	**(503.31)**
Set-off of deferred tax assets pursuant to set-off provisions				
Impairment Allowance (allowance for bad and doubtful debts)	117.24	(4.21)	-	113.03
Expenditures allowed on payment basis	141.22	11.42	-	152.64
Unabsorbed depreciation	337.48	(99.84)	-	237.64
Total deferred tax assets	**595.94**	**(92.63)**	**-**	**503.31**

Year ended March 31, 2021

	As at April 1, 2020	(Charge)/ credit to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	As at March 31, 2021
Property, plant and equipment and intangible assets	(1,055.85)	459.91	-	(595.94)
Total deferred tax liabilities	**(1,055.85)**	**459.91**	**-**	**(595.94)**
Set-off of deferred tax assets pursuant to set-off provisions				
Allowance for doubtful trade receivables and advances	129.02	(11.78)	-	117.24
Employee benefit provisions	173.09	(31.87)	-	141.22
Unabsorbed depreciation	753.74	(416.26)	-	337.48
Total deferred tax assets	**1,055.85**	**(459.91)**	**-**	**595.94**

Note:

In view of significant unabsorbed depreciation and there being no reasonable certainty of significant profit in the near future, deferred tax asset as at March 31, 2022 has been recognised only to the extent of deferred tax liability. The Company has Rs. 10,269.89 lacs of eligible tax losses that can be carried forward to future years as on March 31, 2022. If the Company was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs. 2,432.53 lacs. Further due to change in the shareholding of the Company during the year, pursuant to the composite scheme of amalgamation and arrangement, the carried forward tax losses have lapsed during the year amounting to Rs. 2,459.80 lakhs as per the governing tax laws applicable to the Company.

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9. Non-current tax assets / current tax liabilities

	March 31, 2022	March 31, 2021
Tax assets		
Advance income-tax (net) - non-current	237.28	568.50
	237.28	**568.50**
Tax liabilities		
Provision for current tax (net) - current	-	-
	-	-

10. Other non-current assets

(Unsecured, considered good, unless otherwise stated)	March 31, 2022	March 31, 2021
Balances with government authorities *	46.16	82.91
Others	10.02	11.12
Total	**56.18**	**94.03**

* Includes amounts paid under protest of Rs.31.05 lakhs to VAT authorities (March 31, 2021: Rs 31.05 Lakhs)

11. Inventories

	March 31, 2022	March 31, 2021
Raw materials	2,734.59	1,978.54
Work-in-progress	44.96	45.50
Finished goods	943.55	773.86
Stores and spares	7.65	39.15
Total	**3,730.75**	**2,837.05**

Amount recognised in profit or loss:

During the year ended March 31, 2022, write-down of inventories on account of provision in respect of obsolete / slow moving items amounted to Rs. 91.13 Lakhs (March 31, 2021: Rs. 86.36 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit or loss.

12. Other current assets

(Unsecured, considered good, unless otherwise stated)	March 31, 2022	March 31, 2021
Advances to suppliers	121.88	339.26
Others	21.53	17.17
Total	**143.41**	**356.43**

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(All amounts in INR Lakhs, unless otherwise stated)

13. Share Capital

	March 31, 2022	March 31, 2021
Authorised:		
7,00,00,000 (March 31, 2021: 7,00,00,000) Equity shares of Rs.10/- each	7,000.00	7,000.00
Issued, Subscribed and Paid up:		
7,00,00,000 (March 31, 2021: 7,00,00,000) Equity shares of Rs.10/- each	7,000.00	7,000.00
	7,000.00	**7,000.00**

a. Movement in equity share capital

	Numbers	Amount
As at April 01, 2020	70,000,000	700,000,000
Add: Issued during the year	-	-
As at March 31, 2021	**70,000,000**	**700,000,000**
Add: Issued during the year	-	-
As at March 31, 2022	**70,000,000**	**700,000,000**

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the current year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Equity shares:				
Motherson Sumi Systems Limited	69,995,000	99.99%	-	-
Samvardhana Motherson International Limited	-	-	69,995,000	99.99%

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.

Pursuant to a composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (“MSSL”), Samvardhana Motherson International Limited (“SAMIL”), Motherson Sumi Wiring India Limited (“MSWIL”) and their respective shareholders and creditors, approved by National Company Law Tribunal, Mumbai Bench – IV (“Hon’ble NCLT”) vide its order dated December 22, 2021 (“Order”), SAMIL was merged with MSSL w.e.f. January 21, 2022. Accordingly, the entire shareholding held by SAMIL was transferred to MSSL.

14. Reserves and surplus

	March 31, 2022	March 31, 2021
Retained earnings	(12,845.85)	(10,247.29)
Total reserves and surplus	**(12,845.85)**	**(10,247.29)**

Retained earnings

	March 31, 2022	March 31, 2021
Opening balance	(10,247.29)	(5,738.61)
Profit / (loss) for the year	(2,634.16)	(4,508.17)
Remeasurements of post-employment benefit obligation, net of tax	35.60	(0.51)
Closing balance	**(12,845.85)**	**(10,247.29)**

Nature and purpose of reserves:

Retained earnings represents cumulative profits/ losses of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

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15(a) Non-current borrowings

	Non-current Portion	
	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loans		
Loan from a bank	3,500.00	5,500.00
Less : Disclosed under Current Borrowings [refer note 15(b)]	(2,000.00)	(2,000.00)
TOTAL	**1,500.00**	**3,500.00**

i) Secured Loans

Nature of Security	Principal Terms & Conditions (including interest rates)
Term loan is secured against exclusive charge on machinery as part of Hot Stamping project and exclusive charge on immovable fixed assets of the Company	Repayable by way of 16 equal quarterly installments of Rs. 500 lakhs each and carry an interest rate of 7.10% Per Annum

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(All amounts in INR Lakhs, unless otherwise stated)

15(b) Current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Working capital facilities		
Working capital demand loan from bank*	500.00	-
Overdraft facility from banks **	3,564.33	1,774.64
Current maturities of long term debt [refer note 15(a)]	2,000.00	2,000.00
Unsecured		
Loan from related parties ***	14,500.00	14,000.00
TOTAL	**20,564.33**	**17,774.64**

i) Secured Loans

Nature of borrowing	Principal Terms & Conditions (including interest rates)
** Overdraft facility from the Bank is secured against the current assets of the Company	Repayable on demand at an interest rate of 7.25% to 7.65% per annum
* Working capital demand loan from the Bank is secured against the current assets of the Company	Repayable on demand at an interest rate of 6.65% per annum

ii) Unsecured Loans

Nature of borrowing	Principal Terms & Conditions (including interest rates)
*** Loan from related parties	Repayable on demand at an interest rate of 10% per annum

16. Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of micro, small and medium enterprises (refer note 41)	266.98	38.16
Total outstanding dues of creditors other than micro, small and medium enterprises		
Related parties (refer note 34)	651.71	436.09
Others	6,182.46	6,085.68
Sub-total	**6,834.17**	**6,521.77**
Total	**7,101.15**	**6,559.93**

Ageing schedule for Trade payables:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Total outstanding dues of micro enterprises and small enterprises	266.98	-	-	-	266.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,744.07	31.65	27.13	31.32	6,834.17
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**7,011.05**	**31.65**	**27.13**	**31.32**	**7,101.15**
As at 31 March 2021					
Total outstanding dues of micro enterprises and small enterprises	38.16	-	-	-	38.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,410.13	34.54	-	77.10	6,521.77
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**6,448.29**	**34.54**	**-**	**77.10**	**6,559.93**

17. Other financial liabilities

	March 31, 2022	March 31, 2021
Payables on purchase of fixed assets	28.73	133.41
Interest accrued on borrowings	551.34	285.43
Employee benefits payable	224.62	92.41
Total	**804.69**	**511.25**
Breakup of current / non-current portion of other financial liabilities		
Non-current	-	-
Current portion	804.69	511.25
	804.69	511.25

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(All amounts in INR Lakhs, unless otherwise stated)

18. Employee defined benefit liabilities

	March 31, 2022		March 31, 2021	
	Current	**Non-current**	**Current**	**Non-current**
Gratuity	17.01	340.55	15.04	315.07
Compensated absences	140.50	-	135.24	-
Total	**157.51**	**340.55**	**150.28**	**315.07**

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

A. Defined Benefit Schemes

Gratuity

The Company operates a gratuity plan administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

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

(i) Present Value of Defined Benefit Obligation	For the year ended	
	March 31, 2022	**March 31, 2021**
Obligations at year beginning	330.11	277.14
Service Cost - Current	47.14	43.64
Interest expense	22.23	18.78
Acquisition cost / (credit)	-	-
Amount recognised in profit or loss	**69.37**	**62.42**
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption/financial assumptions	(7.61)	3.60
Experience (gains)/losses	(27.99)	(3.09)
Amount recognised in other comprehensive income	**(35.60)**	**0.51**
Payment from plan:		
Benefit payments	(6.32)	(9.96)
Obligations at year end	**357.56**	**330.11**

(ii) Assets and Liabilities recognized in the Balance Sheet

	As at	
	March 31, 2022	**March 31, 2021**
Present value of the defined benefit obligations	357.56	330.11
Fair value of the plan assets	-	-
Amount recognized as Liability	**357.56**	**330.11**

(iii) Defined benefit obligations cost for the year:

	For the year ended	
	March 31, 2022	**March 31, 2021**
Service Cost - Current	47.14	43.64
Interest Cost	22.23	18.78
Actuarial (gain) / loss	(35.60)	0.51
Net defined benefit obligations cost	**33.77**	**62.93**

(iv) Actuarial assumptions:

	March 31, 2022	**March 31, 2021**
Discount Rate per annum	7.00%	6.80%
Future salary increases	10.00%	10.00%
Attrition rate	6.00%	6.00%

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

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(All amounts in INR Lakhs, unless otherwise stated)

18. Employee defined benefit liabilities (continued)

(v) Sensitivity Analysis

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

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount Rate per annum	0.50%	0.50%	Decrease by	17.88	17.35	Increase by	(19.54)	(19.00)
Future salary increases	0.50%	0.50%	Increase by	(18.92)	(18.36)	Decrease by	17.51	16.96

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

(vi) Risk exposure

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

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

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

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

vii) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 10 years (March 31, 2021: 10 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31-Mar-22					
Defined benefit obligation (gratuity)	17.60	0.80	141.10	199.71	**359.21**
31-Mar-21					
Defined benefit obligation (gratuity)	15.54	18.00	122.80	193.05	**349.39**

B. Defined Contribution Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees.

Amount recognised in the Statement of Profit & Loss is as follows (refer note 24):

	For the year ended	
	March 31, 2022	March 31, 2021
Provident fund paid to the authorities	139.51	123.16
Employee state insurance paid to the authorities	24.74	13.87
	164.25	**137.03**

19. Other current liabilities

	March 31, 2022	March 31, 2021
Statutory dues	555.01	449.32
Advances received from customers	272.35	-
	827.36	**449.32**

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(All amounts in INR Lakhs, unless otherwise stated)

20. Revenue from contract with customers

	For the year ended	
	March 31, 2022	March 31, 2021
Following is the disaggregation of the Company's revenue from contracts with customers:		
Type of revenue		
Sale of goods	42,460.78	22,540.84
Sale of tools	521.17	2,366.18
Total revenue from sale of goods and tools	**42,981.95**	**24,907.02**
Within India	42,618.02	24,872.76
Outside India	363.93	34.26
Total Gross Sales	**42,981.95**	**24,907.02**
Timing of revenue recognition		
Transferred at a point in time	42,460.78	22,540.84
Transferred over time	521.17	2,366.18
	42,981.95	**24,907.02**
Other operating revenue:		
Scrap sales	3,677.83	1,956.96
	3,677.83	**1,956.96**
Total revenue from contract with customers	**46,659.78**	**26,863.98**

Contract balances	**March 31, 2022**	**March 31, 2021**
Trade receivables	6,082.53	5,526.70
Contract assets	-	558.78
Contract liabilities	-	831.98

Trade receivables are non-interest bearing and are generally on terms of 60 days.

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. Upon completion and acceptance by the customer, 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.

Contract liabilities include short-term advances received from customer as well as amount billed in advance for manufacture of tools.

21. Other income

	For the year ended	
	March 31, 2022	March 31, 2021
Exchange fluctuation (net)	99.02	94.48
Provision no longer required written back	16.18	-
Interest income from financial assets at amortised cost	71.35	24.79
Total	**186.55**	**119.27**

22. Cost of materials consumed

	For the year ended	
	March 31, 2022	March 31, 2021
Opening stock of raw materials	1,978.54	1,306.01
Add : Purchases of raw materials	37,655.11	21,723.02
Less: Closing stock of raw materials	(2,734.59)	(1,978.54)
Total	**36,899.06**	**21,050.49**

23. Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended	
	March 31, 2022	March 31, 2021
(Increase)/ decrease in stocks		
Opening stock of finished goods	773.86	576.90
Closing stock of finished goods	(943.55)	(773.86)
	(169.69)	(196.96)
Opening stock of Work-in-progress	45.50	421.02
Closing stock of Work-in-progress	(44.96)	(45.50)
	0.54	375.52
(Increase)/ decrease in stocks	**(169.15)**	**178.56**

24. Employee benefit expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Salary, wages & bonus	2,716.56	2,324.23
Contribution to provident & other funds	164.25	137.03
Gratuity (Refer note 18)	69.37	62.42
Staff welfare expenses	599.01	465.56
Total	**3,549.19**	**2,989.24**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Company believes the impact of the change will not be significant

25. Depreciation and amortization expense

	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation on property, plant and equipment	2,651.34	2,378.05
Depreciation on right-of-use assets (refer note 39)	119.98	119.98
Total	**2,771.32**	**2,498.03**

(All amounts in INR Lakhs, unless otherwise stated)

26. Finance costs

	For the year ended	
	March 31, 2022	**March 31, 2021**
Interest and finance charges		
Interest on term loan	1,725.94	1,868.93
Interest on overdraft	191.93	105.17
Interest on lease liabilities (refer note 39)	78.48	105.85
Interest on working capital demand loan	16.40	-
Other finance costs	245.53	85.00
Total	**2,258.28**	**2,164.95**

27. Other expenses

	For the year ended	
	March 31, 2022	**March 31, 2021**
Power and fuel	954.01	692.40
Repairs and maintenance:		
Machinery	618.22	336.27
Building	64.50	14.40
Others	189.62	205.99
Subcontract charges	460.49	158.47
Rent	176.13	134.16
Rates & taxes	28.23	39.27
Insurance	75.05	78.22
Printing and stationery	18.60	11.92
Travelling and conveyance	43.63	26.27
Freight & forwarding	289.02	151.65
Technical and support fees	24.00	32.70
Consumption of stores and spare parts	820.94	300.86
Provision for doubtful debts	-	81.65
Auditors remuneration (refer note (a) below)	15.00	15.00
Legal & professional expenses	173.78	198.08
Loss on sale of fixed assets (Net)	0.02	-
Miscellaneous expenses	220.55	194.18
Total	**4,171.79**	**2,671.49**

(a) Payment to auditors:

	For the year ended	
	March 31, 2022	**March 31, 2021**
As Auditor:		
Audit fees	14.00	14.00
Reimbursement of expenses	1.00	1.00
Total	15.00	15.00

28. Income tax expense

	For the year ended	
	March 31, 2022	**March 31, 2021**
(a) Income tax expense		
Current tax		
Current tax on profit for the year	-	-
Adjustments for current tax of prior periods on completion of assessment	-	61.34
Total current tax expense	**-**	**61.34**
MAT credit	**-**	**-**
Deferred tax (Refer note 8)		
Decrease / (increase) in deferred tax assets (net)	92.63	459.91
(Decrease) / increase in deferred tax liabilities	(92.63)	(459.91)
Total deferred tax expense / (benefit)	**-**	**(0.00)**
Income tax expense	**-**	**61.34**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	March 31, 2022	**March 31, 2021**
Profit / (Loss) from continuing operations before income tax expense	(2,634.16)	(4,569.51)
Tax at the rate of 26% (PY - March 31, 2021 - 26%)	(684.88)	(1,188.07)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred tax asset not recognized on losses	684.88	1,188.07
Other adjustments	-	61.34
Income tax expense	**-**	**61.34**

29. Earnings per share

	March 31, 2022	**March 31, 2021**
Basic		
Net profit after tax available for equity Shareholders	(2,634.16)	(4,508.17)
Weighted average number of equity shares used to compute basic earnings per share	70,000,000	70,000,000
Basic earnings per share (INR)	(3.76)	(6.44)
Diluted earnings per share (INR)	(3.76)	(6.44)

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.

(All amounts in INR Lakhs, unless otherwise stated)

30. Fair value measurements

Financial instruments by category

	March 31, 2022			March 31, 2021		
	FVTPL	**FVTOCI**	**Amortised Cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**
Financial assets						
Non-current						
Investments	-	-	2.74	-	-	2.74
Other financial assets	-	-	227.69	-	-	193.09
Current						
Trade receivables	-	-	6,082.53	-	-	5,526.70
Cash and cash equivalents	-	-	289.32	-	-	29.16
Total financial assets	**-**	**-**	**6,602.28**	**-**	**-**	**5,751.69**
Financial Liabilities						
Non-current						
Borrowings	-	-	1,500.00	-	-	3,500.00
Current						
Borrowings	-	-	20,564.33	-	-	17,774.64
Trade payable	-	-	7,101.15	-	-	6,559.93
Other financial liabilities	-	-	804.69	-	-	511.25
Total financial liabilities	**-**	**-**	**29,970.17**	**-**	**-**	**28,345.82**

i. Fair value hierarchy

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	March 31, 2022			March 31, 2021		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Other financial assets	-	-	227.69	-	-	193.09
Total financial assets	**-**	**-**	**227.69**	**-**	**-**	**193.09**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

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

	March 31, 2022		March 31, 2021	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets				
Investments	2.74	2.74	2.74	2.74
Other financial assets - non-current	227.69	227.69	193.09	193.09
	230.43	**230.43**	**195.83**	**195.83**
Financial Liabilities				
Borrowings	1,500.00	1,500.00	3,500.00	3,500.00
	1,500.00	**1,500.00**	**3,500.00**	**3,500.00**

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iii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) The carrying value of investments in the shares of OPG Power Generation Private Limited represents fair value as on reporting date.
ii) The fair value of other financial assets carried at amortized cost is calculated using discounted cash flow method.

iii) The carrying amounts of trade receivables, cash and bank balances, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

31. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Estimates and assumptions

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

Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.
The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.
Further details about gratuity obligations are given in Note 18.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2022, the management has assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

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32. Financial risk management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.
The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.
The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

A Market risk:

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

B Foreign currency risk:

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

	As at March 31, 2022 Payable / (Receivable)		As at March 31, 2021 Payable / (Receivable)	
	Amount in Foreign currency	Amount in Rs. Lakhs	Amount in Foreign currency	Amount in Rs. Lakhs
(i) Trade Payables (USD)	16,165	12.25	2,498,048	1,836.18
(ii) Trade Payables (EUR)	35,561	30.11	66,293	57.07
(iii) Trade Receivables (USD)	(167,977)	(127.34)	(62,098)	(45.65)

Foreign currency sensitivity

The following tables demonstrate the sensitivity on unhedged foreign currency exposures to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

	March 31, 2022		March 31, 2021	
	Change in exchange rate	Effect on profit before tax	Change in exchange rate	Effect on profit before tax
USD against INR	+5%	(5.75)	+5%	89.53
	-5%	5.75	-5%	(89.53)
Euro against INR	+5%	1.51	+5%	2.85
	-5%	(1.51)	-5%	(2.85)
JPY against INR	+5%	-	+5%	-
	-5%	-	-5%	-

C Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company does not have any borrowings with variable rates, hence, there will not be any material interest rate risk in relation to the fair value of financial instruments.

32. Financial risk management (continued)

D Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and other financial assets. Trade receivables, are typically unsecured and are derived from revenue earned from customers.

The carrying amount of financial assets represents the maximum credit exposure.
Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, and other financial assets.

'Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

E Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Maturities of financial liabilities

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

Year ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-current				
Borrowings	-	1,500.00	-	1,500.00
Lease liabilities (undiscounted)	-	616.39	317.30	933.69
Current				
Borrowings	20,564.33	-	-	20,564.33
Trade payables	7,101.15	-	-	7,101.15
Lease liabilities (undiscounted)	170.75	-	-	170.75
Other financial liabilities	804.69	-	-	804.69
Total liabilities	**28,640.92**	**2,116.39**	**317.30**	**31,074.61**

Year ended March 31, 2021	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-current				
Borrowings	-	3,500.00	-	3,500.00
Lease liabilities (undiscounted)	-	787.14	317.30	1,104.44
Current				-
Borrowings	17,774.64	-	-	17,774.64
Trade payables	6,559.93	-	-	6,559.93
Lease liabilities (undiscounted)	170.74	-	-	170.74
Other financial liabilities	511.25	-	-	511.25
Total liabilities	**25,016.56**	**4,287.14**	**317.30**	**29,621.00**

33. Capital management

(a) Risk management

The primary objective of the company is to maximise the shareholder value by safeguarding their ability to continue as a going concern and maintain an optimal capital structure to reduce the cost of capital. The Company monitors Net Debt to Earnings Before Interest Tax and Depreciation / Amortization (EBITDA) ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2022	March 31, 2021
Debt (refer note 15)	22,064.33	21,274.64
Less: Cash and cash equivalents (refer note 6)	(289.32)	(29.16)
Net debt	21,775.01	21,245.48
EBITDA	2,395.44	93.47
Net debt to EBITDA	**9.09**	**227.30**

(b) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.
With respect to compliance with DSCR covenant of minimum 1x for the term loan availed from HDFC bank (lender), the company on 10 March 2021 had requested the lender for condonation of compliance with DSCR covenant till FY 21-22. The bank had approved the request for condonation of the covenant. Hence, the compliance with this debt covenant is not applicable for the current reporting period.

(c) The Company has availed overdraft facility from the bank amounting to Rs. 5,000 Lakhs out of which Rs. 4064.33 Lakhs have been utilized as at March 31,2022 and the undrawn facility amounts to Rs. 935.67 Lakhs.

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34. Related Party Disclosures

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

List of related parties where control exists
Holding Company:
Samvardhana Motherson International Limited (upto January 21, 2022)
Motherson Sumi Systems Ltd (w.e.f. January 22, 2022)

Entities under common control : (associates/ joint ventures/ fellow subsidiaries)
Motherson Sumi Infotech & Designs Limited
Motherson Sumi Systems Ltd (upto January 21, 2022)
Systematic Conscom Ltd
Motherson Air Travel Agencies Ltd
Motherson Auto Limited
Motherson Automotive Tech Limited
Motherson Consultancies Services Limited
Motherson Techno Tools Limited
Fritzmeier Motherson Cabin Engineering Pvt Limited
Samvardhana Motherson Innovative Solutions Limited
Samvardhana Motherson Global Carriers Ltd
Anest Iwata Motherson Private Limited
Motherson Lease Solution Limited
AES (India) Engineering Ltd

Key management personnel (KMP)
1. Mr. Parthasarathy Srinivasan - Director
2. Ms. Lata Unnikrishnan - Director
3. Mr. Ghanashyam Kamath Kundapur - Director

Key management personnel (KMP)
1. Mr. Anbarasan Robin - Chief Operating Officer
2. Mr. C S Srinivasan - Chief Financial Officer
3. Ms. Mamta Surkali - Company Secretary - (Till 14th Feb 2022)

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(All amounts in INR Lakhs, unless otherwise stated)

34. Related Party Disclosures (continued)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 33 (I) above:

(a) Transactions with related parties

Particulars	Holding Company 31-Mar-22	Entities under common control 31-Mar-22	Key management personnel 31-Mar-22	Total 31-Mar-22	Holding Company 31-Mar-21	Entities under common control 31-Mar-21	Key management personnel 31-Mar-21	Total 31-Mar-21
<u>Transactions during the year</u>								
Term loan Received								
Samvardhana Motherson International Limited	-	-	-	-	2,000.00	-	-	2,000.00
Motherson Techno Tools Limited	-	1,000.00	-	1,000.00	-	-	-	-
Term loan Repaid								
Motherson Techno Tools Limited	-	(500.00)	-	(500.00)	-	(2,000.00)		(2,000.00)
Interest on ICD								
Samvardhana Motherson International Limited	1,131.51	-	-	1,131.51	1,272.32	-	-	1,272.32
Motherson Sumi Systems Ltd	268.49	-	-	268.49	-	-	-	-
Motherson Techno Tools Limited	-	8.94	-	8.94	-	105.20	-	105.20
Information Technology related cost								
Motherson Sumi Infotech & Designs Limited	-	106.51	-	106.51	-	79.74	-	79.74
Construction of factory building								
Systematic Conscom Ltd	-	24.98	-	24.98	-	290.97	-	290.97
Purchase of property, plant and equipment								
Motherson Sumi Systems Ltd	-	0.02	-	0.02	-	8.15	-	8.15
AES (India) Engineering Ltd	-	5.80	-	5.80	-	-	-	-
Consultancy expenses								
Motherson Auto Limited	-	4.72	-	4.72	-	-	-	-
Samvardhana Motherson International Limited	126.00	-	-	126.00	121.27	-	-	121.27
Motherson Consultancies Services Limited	-	18.99	-	18.99	-	9.75	-	9.75
Motherson Sumi Systems Ltd	1.61	-	-	1.61	-	-	-	-
Travelling Expenses								
Samvardhana Motherson Innovative Solutions Limited	-	19.74	-	19.74		4.94	-	4.94
Motherson Air Travel Agencies Ltd	-	31.68	-	31.68	-	27.47	-	27.47
Lease charges								
Motherson Lease Solution Limited	-	153.03	-	153.03	-	149.49	-	149.49
Motherson Auto Limited	-	-	-	-	-	0.70	-	0.70
Freight Charges								
Samvardhana Motherson Global Carriers Ltd	-	94.19	-	94.19	-	76.97	-	76.97
Repairs and maintenance expenses								
Systematic Conscom Ltd	-	45.50	-	45.50	-	17.27	-	17.27
Anest Iwata Motherson Private Limited	-	6.94	-	6.94	-	2.13	-	2.13
Fritzmeier Motherson Cabin Engineering Pvt Limi	-	3.54	-	3.54	-	-	-	-
Key Managerial Personnel remuneration								
Mr. Anbarasan Robin - Chief Operating Officer	-	-	55.78	55.78	-	-	56.09	56.09
Mr. C S Srinivasan - Chief Financial Officer	-	-	39.01	39.01	-	-	35.93	35.93

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(All amounts in INR Lakhs, unless otherwise stated)

34. Related Party Disclosures (continued)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 33 (I) above (continued)

(b) Balance outstanding as at the year end:

Particulars	Holding Company 31-Mar-22	Entities under common control 31-Mar-22	Total 31-Mar-22	Holding Company 31-Mar-21	Entities under common control 31-Mar-21	Total 31-Mar-21
Amounts payable to related parties						
Samvardhana Motherson International Limited	-	-	-	225.54	-	225.54
Motherson Sumi Infotech & Designs Limited	-	8.46	8.46	-	30.12	30.12
Motherson Sumi systems Ltd	530.47	-	530.47	-	89.32	89.32
Motherson Consultancies Services Limited	-	2.03	2.03	-	-	-
Motherson Lease Solution Limited	-	3.16	3.16	-	-	-
Samvardhana Motherson Global Carriers Ltd	-	21.58	21.58	-	12.77	12.77
Motherson Air Travel Agencies Ltd	-	3.07	3.07	-	5.56	5.56
Systematic Conscom Ltd	-	47.74	47.74	-	34.50	34.50
Anest Iwata Motherson Private Limited	-	0.66	0.66	-	35.61	35.61
Motherson Techno Tools Limited	-	8.97	8.97	-	-	-
Samvardhana Motherson Innovative Solutions Limited	-	22.90	22.90	-	-	-
AES (India) Engineering Ltd		2.67	2.67		2.67	2.67
Advance paid to related parties						
Samvardhana Motherson Innovative Solutions Limited	-	1.00	1.00	-	-	-
Amounts receivable from related parties						
Motherson Auto Limited	-	-	-	-	8.49	8.49
Samvardhana Motherson Innovative Solutions Limited	-	-	-	-	5.75	5.75
Short term borrowings						
Motherson Sumi systems Ltd	14,000.00	-	14,000.00	-	-	-
Samvardhana Motherson International Limited	-	-	-	14,000.00	-	14,000.00
Motherson Techno Tools Limited	-	500.00	500.00	-	-	-

There are no outstanding balances receivable from / payable to Key management personnel as at March 31, 2022 and March 31, 2021.

The Company has received the support letter from the holding Company for their commitment to provide financial support to MSGI.

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: INR Nil). This assessment is undertaken

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(All amounts in INR Lakhs, unless otherwise stated)

35. 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".

A. Information about geographical areas:
The following information discloses revenue from external customers based on geographical areas:

	March 31, 2022	March 31, 2021
i) Revenue from external customers		
India	42,618.02	24,872.76
Outside India	363.93	34.26
	42,981.95	**24,907.02**

ii) Segment Assets
Total of non-current assets other than financial instruments, non-current tax assets and deferred tax assets broken down by location of the assets, is shown below:

	March 31, 2022	March 31, 2021
India	15,555.51	17,684.49
Outside India	-	-
	15,555.51	**17,684.49**

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

	March 31, 2022	March 31, 2021
Customer 1	23,770.17	11,221.08
Customer 2	10,382.19	10,696.69

36. Assets pledged as security

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

	March 31, 2022	March 31, 2021
Current:		
Financial assets		
First charge		
Plant and machinery (HPF Project)	5,671.65	5,159.00
Trade receivables	6,082.53	5,526.70
Inventory	3,730.75	2,837.05
Other current assets	143.41	356.43
Total current assets pledged as security	**15,628.34**	**13,879.18**

37. Capital and Other Commitments

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

	March 31, 2022	March 31, 2021
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed (Net of advances)	-	-
Total	**-**	**-**

38. Contingent liabilities:

Claims against the Company not acknowledged as debts

	March 31, 2022	March 31, 2021
(a) VAT matters	84.21	84.21
(b) Income tax matters	22.86	22.86

The Company does not expect any reimbursements in respect of the above contingent liabilities.

It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

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39. Leases

The Company has lease contracts for various items of plant and machinery, leasehold land and vehicles used in its operations. The leasehold land has a lease term of 99 years and leases of plant and machinery generally have lease term of 10 years, while vehicle generally have lease term of 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios.

The Company also has certain leases of other equipments 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.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold land	Plant and machinery	Vehicles	Total
As at April 1, 2020	354.31	916.90	50.95	1,322.16
Additions	-	-	-	-
Depreciation Expense	(4.01)	(100.95)	(15.03)	(119.99)
As at March 31, 2021	**350.30**	**815.95**	**35.92**	**1,202.17**
As at April 1, 2021	350.30	815.95	35.92	1,202.17
Additions	-	-	-	-
Depreciation Expense	(4.01)	(100.94)	(15.03)	(119.98)
As at March 31, 2022	**346.29**	**715.01**	**20.89**	**1,082.19**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Plant and machinery	Vehicles	Total
As at April 1, 2020	923.40	53.26	976.66
Additions	-	-	-
Accretion of Interest	101.39	4.46	105.85
Lease payments	(152.31)	(18.44)	(170.75)
As at March 31, 2021	**872.48**	**39.28**	**911.76**
As at April 1, 2021	872.48	39.28	911.76
Additions	-	-	-
Accretion of Interest	75.41	3.07	78.48
Lease payments	(152.31)	(18.44)	(170.75)
As at March 31, 2022	**795.58**	**23.91**	**819.49**

	March 31, 2022	March 31, 2021
Current	101.01	92.27
Non Current	718.48	819.49
	819.49	**911.76**

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	119.98	119.99
Interest expense on lease liabilities	78.48	105.85
Low value leases / short term leases	176.13	134.16
	374.59	**360.00**

The Company had total cash outflows for leases of INR 170.75 lakhs in 31 March 2022 (INR 170.74 lakhs in 31 March 2021).

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40. Additional regulatory information required by Schedule III

(a) Details of benami property held
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) Borrowing secured against current assets
The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(c) Registration of charges
The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(d) Wilful defaulter
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(e) Relationship with struck off companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
SK Travels Private Limited	Payables	0.77	0.77	Third party customers, not related parties of the Company
Sew Eurodrive India Private limited	Payables	0.42	0.00	
Rajdeep Automation Private limited*	Payables	-	-	

* The transaction has been settled during the year amounting to Rs. 0.49 lacs (Previous year - Nil).

(f) Compliance with number of layers of companies
The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(g) Compliance with approved scheme(s) of arrangements
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(h) Utilisation of borrowed funds and share premium
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(i) Undisclosed income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(j) Details of crypto currency or virtual currency
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(k) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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(All amounts in INR Lakhs, unless otherwise stated)

(l) Analytical ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.35	0.35	-1.79%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(3.77)	(6.55)	-42.39%	The movement is due to additional losses incurred during the current year
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.54	0.03	1498.41%	The improvement in DSCR ratio is due to the EBITDA earned during the year arising from higher level of operations
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.57	4.54	-87.41%	The movement is due to additional losses incurred during the current year and previous year negatively impacting the average equity balance
Inventory Turnover ratio	Cost of goods sold	Average Inventory	11.18	8.26	35.43%	Improved operations during the year and timely utilization of inventory to meet demand from customers
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.04	4.57	75.72%	Improved operations during the year and timely collections from its customers
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.51	3.82	44.44%	Improved operations during the year and timely payments to vendors
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	(2.42)	(1.57)	53.46%	Improved operations during the year resulting in higher revenues. The net current liability position has increased during the year on account of short term borrowings
Net Profit ratio	Net Profit / (loss)	Net sales = Total sales - sales return	(0.06)	(0.17)	-66.82%	The improvement in net profit/loss is on account of increase in net margin due to higher operations in the current year.
Return on Capital Employed ('ROCE')	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(0.02)	(0.13)	-82.62%	The improvement in EBIT is on account of increase in net margin due to higher operations in the current year improving the ROCE.

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41. Due to micro, small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

Particulars	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	266.98	38.16
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

42. Due to outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state government, Company's operations were suspended for a part of the previous year. Accordingly, financial statement for the year ended March 31, 2022 are not strictly comparable with those of previous year ended March 31, 2021. Further the Company has assessed the impact of COVID-19 on its business operations and has prepared the cash flow projections and assessed the recoverability of receivables, expected credit loss, inventory management, re-evaluated the impairment indicators to test the carrying amount of the property, plant and equipment using various internal and external information up to the date of approval of these financial statement and has concluded that neither there is any material adverse impact on the business operations nor any material adjustments required in the financial statement. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

43. The Company is under discussions with the holding Company's management for infusion of equity amounting to INR 14,000 lakhs.

44. There are no adjusting subsequent events that occurred after the reporting period.

As per our report of even date
For S. R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration number: 301003E/E300005

ANIL MEHTA
Digitally signed by ANIL MEHTA
DN: cn=ANIL MEHTA, c=IN, o=Personal, email=anil.mehta@srb.in
Date: 2022.05.19 22:59:21 +05'30'

per Anil Mehta
Partner
Membership No.: 095812
Place:New Delhi

For and on behalf of the Board of Directors of
MS Global India Automotive Private Limited

PARTHASARATHY SRINIVASAN
Digitally signed by PARTHASARATHY SRINIVASAN
Date: 2022.05.19 22:05:57 +05'30'

Parthasarathy Srinivasan
Director
DIN : 01039931
Place:Noida

LATA UNNIKRISHNAN
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Date: 2022.05.19 22:06:29 +05'30'

Lata Unnikrishnan
Director
DIN : 08391470
Place:Sharjah

SRINIVASAN
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Date: 2022.05.19 21:49:40 +05'30'

Srinivasan CS
Chief Financial Officer
Place:Chennai

Anbarasan Robin
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Date: 2022.05.19 21:54:44 +05'30'

Anbarasan Robin
Chief Operating Officer
Place:Chennai