MOTHERSON INNOVATIONS TECH LIMITED

Balance Sheet as on 31st March, 2022

(All amounts in INR hundred, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	48,625	24,811
Right-of-use assets	31	48,525	52,693
Capital work in progress	3	-	1,168
Intangible assets	4	16,364	3,101
Other financial assets	5	7,239	7,881
Deferred tax assets (net)	6	6,932	5,182
Total non-current assets		**127,684**	**94,836**
Current assets			
Financial assets			
i) Trade receivables	7	59,137	-
ii) Cash and cash equivalents	8	45,503	10,615
iii) Other financial assets	5	32,336	16,125
Other current assets	9	60,036	53,895
Total current assets		**197,012**	**80,635**
Total Assets		**324,696**	**175,471**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	5,000	5,000
Other equity			
Reserves and surplus	11	78,106	23,414
Total equity		**83,106**	**28,414**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i) Lease liabilities	31	37,504	43,690
ii) Other financial liabilities	12	8,925	3,704
Employee benefit obligations	13	41,915	23,910
Total non-current liabilities		**88,344**	**71,304**
Current liabilities			
Financial liabilities			
i) Lease liabilities	31	13,452	9,538
ii) Trade Payable	14		
-Total outstanding dues of micro and small enterprises and		225	2,418
-Total outstanding dues of creditors other than micro and small enterprises		93,602	36,240
iii) Other financial liabilities	12	16,205	19,718
Employee benefit obligations	13	1,055	521
Current tax liabilities (net)	15	3,339	3,510
Other current liabilities	16	25,370	3,807
Total current liabilities		**153,247**	**75,752**
Total liabilities		**241,590**	**147,056**
Total equity and liabilities		**324,696**	**175,471**
Summary of significant accounting policies	2.1		

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

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

For and on behalf of the Board of Directors of
Motherson Innovations Tech Limited

per Anil Mehta
Partner
Membership No: 095812

Pankaj Mital
Director
DIN: 00194931

Rajat Jain
Director
DIN: 00658228

Place : New Delhi
Date :

Place : Noida
Date :

Place : Noida
Date :

MOTHERSON INNOVATIONS TECH LIMITED

Statement of Profit and Loss for the year ended 31st March, 2022

(All amounts in INR hundred, unless otherwise stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUE			
Revenue from contract with customers	**17**	686,643	376,297
Other income	**18**	2,016	590
Total revenue		**688,659**	**376,887**
EXPENSES			
Employee benefits expense	**19**	366,125	192,899
Finance costs	**20**	6,441	2,609
Depreciation and amortization expense	**21**	25,312	7,111
Other expenses	**22**	218,430	159,040
Total expenses		**616,307**	**361,659**
Profit before tax		**72,351**	**15,228**
Tax expenses	**23**		
-Current tax		**20,558**	**5,655**
-Deferred tax		**(2,039)**	**(4,173)**
Profit for the year		**53,832**	**13,746**
Other comprehensive income			
Items not to be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	**12**	**1,149**	**(1,034)**
Deferred tax on Remeasurements of post-employment benefit obligations	**5**	**(289)**	**260**
Other comprehensive income for the year (net of tax)		**860**	**(774)**
Total comprehensive income for the year (net of tax)		**54,693**	**12,972**
Earning per share (refer to note 24)			
Nominal value per share Rs. 10 (previous year Rs. 10)			
Basic		109.39	25.94
Diluted		109.39	25.94
Summary of significant accounting policies	**2.1**		

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

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

For and on behalf of the Board of Directors of
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MOTHERSON INNOVATIONS TECH LIMITED

Statement of changes in equity

(All amounts in INR hundred, unless otherwise stated)

A. Equity share capital	**No. of Shares**	**Amount**
As at April 01, 2020	**50,000**	**5,000**
Changes in equity share capital		-
As at March 31, 2021	**50,000**	**5,000**
Changes in equity share capital		-
As at March 31, 2022	**50,000**	**5,000**

B. Other equity		**Reserve and Surplus**	
	Note	**Retained earning**	**Total**
Balance as at April 01, 2020	11	10,442	10,442
Profit for the year		13,746	13,746
Other comprehensive income		(774)	(774)
Total comprehensive income for the year		**12,972**	**12,972**
Balance at March 31, 2021		23,414	23,414
Profit for the year		53,832	53,832
Other comprehensive income		860	860
Total comprehensive income for the year		**54,693**	**54,693**
Balance at March 31, 2022		**78,107**	**78,107**

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

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

For and on behalf of the Board of Directors of
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MOTHERSON INNOVATIONS TECH LIMITED

Cash Flow Statement

(All amounts in INR hundred, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities:		
Profit before tax	**72,351**	**15,228**
Adjustment to reconcile profit before tax to net cash flow:		
Depreciation and amortisation	25,312	7,111
Interest income from financial assets at amortised cost	(766)	(107)
Notional lease rent on vehicle	897	132
Finance costs	6,441	2,609
Liabilities no longer required written back	-	(483)
Unrealised foreign exchange loss /(gain) (net)	(341)	4,301
Operating profit/ (loss) before working capital adjustment	**103,894**	**28,792**
Movement in working capital:		
Increase in trade payables	55,169	(80,138)
Increase in other payables	40,102	(1,055)
Increase in other financial liabilities	2,857	12,590
(Increase) in trade receivables	(58,796)	24,882
(Increase) in other financial assets	(15,700)	(10,414)
(Increase) in other receivables	(6,141)	(27,056)
Cash generated from/ (used in) operations	**121,385**	**(52,399)**
Taxes paid	(20,730)	(8,914)
Net cash flows from operating activities (A)	**100,655**	**(61,313)**
Cash flow from investing activities		
Purchase of fixed assets	(46,983)	(25,817)
Net cash used in investing activities (B)	**(46,983)**	**(25,817)**
Cash flow from financing activities		
Finance costs	(1,571)	(1,343)
Repayment of Lease Liablities	(17,213)	-
Net cash flow used in financing activities (C)	**(18,784)**	**(1,343)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**34,888**	**(88,472)**
Cash and cash equivalents at the beginning of the Year	**10,615**	**99,088**
Cash and cash equivalents at the end of the Year	**45,503**	**10,615**
Cash and Cash equivalents comprise of:		
Balance with banks		
Current accounts	45,503	10,615
Total Cash and Cash Equivalents	**45,503**	**10,615**

Change in Liability arising from fianancing activity

Particulars	As at April 1, 2021	Cash flows	Non-cash changes: New leases	Non-cash changes: Others	As at March 31, 2022
Lease liability	53,228	-	10,070	(12,342)	50,956
Short term borrowings (net of transaction costs)	-	-	-	-	-

Particulars	As at April 1, 2020	Cash flows	Non-cash changes: New leases	Non-cash changes: Others	As at March 31, 2021
Lease liability	-	-	55,737	(2,509)	53,228
Short term borrowings (net of transaction costs)	-	-	-	-	-

Notes:

i) The above Cash flow statement has been prepared under the “Indirect Method” as set out in Indian Accounting Standard-7, “Statement of Cash Flows” notified under section 133 of the Companies Act,2013.

ii) Figures in brackets indicate Cash Outflow.

The above statement of cash flow should be read in conjunction with the accompanying notes.

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

For and on behalf of the Board of Directors of
Motherson Innovations Tech Limited

per Anil Mehta
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1 Corporate Information

Motherson Innovations Tech Limited (formerly known as MSSL Automobile Component Limited) is incorporated in India on July 5, 2011 under the Companies Act, 1956 with an initial object of carrying the business of manufacture and sale of automobile parts, but later it changed main object to provide of scientific research and development for the manufacture of all type of industrial products and in particulars for automotive industry, computer software, end-to-end software, engineering design, data processing and information retrieval, human resource, customer relationship management & business process outsourcing (BPO) contracts to companies around the globe. It is a wholly owned subsidiary of Motherson Sumi Systems Limited.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on **May 26, 2022.**

2.1 Significant accounting policies

(a) Basis of preparation

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

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

New and amended standards and interpretation

The Company applied for the first time certain standards or amendments which are effective for annual periods begining on or after April 1, 2021.

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:

- 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 Institute of Chartered Accounts of India ('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.

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.

(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or intended to be sold or consumed in normal operating cycle, or
• 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, or
• It is held primarily for the purpose of trading, or
• 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.

(c) Foreign currencies

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. 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 disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2.

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

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of services

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

Trade receivables

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

(e) Other income

Interest Income

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

(f) Taxes

Current Income & Deferred tax

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

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

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

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

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

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

(g) 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 a lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any 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:

• Buildings and offices	1 to 5 years
• Motor vehicles	3 to 5 years

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

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

ii) Lease Liabilities

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

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

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

(h) Impairment of non-financial assets

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

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

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

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

(i) Cash and cash equivalents

Cash and cash equivalent include cash in hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

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

Depreciation methods and useful lives

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

Assets	Useful life (years)*
Leasehold Improvements	Over the period of lease
Plant and Machinery	15 years
Furniture & Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	4 years

*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

(k) Intangible assets

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

Assets	Useful life (years)
Software	3 years

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.
The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

(l) Research and development costs

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

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

Cost incurred by the Company for Research and Development do not meet the recognition criteria and hence have been classified as research costs and are expensed of in the statement of profit and loss as and when these are incurred.
The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

(m) Provisions and contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, 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, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(n) Employee benefits

Short-term obligations

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

Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

Compensated Absences

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

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

(o) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(p) Earnings per share

(i) *Basic earnings per share*

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

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

(ii) *Diluted earnings per share*

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

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

2.2 Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

Estimates and assumptions

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

(i) Useful life of property, plant and equipment

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

(ii) Defined benefit plans

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

Further details about gratuity obligations are given in Note 13.

(iii) Taxes

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

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MOTHERSON INNOVATIONS TECH LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR hundred, unless otherwise stated)

3. Property, plant and equipment

Particulars	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Total	Capital work-in-progress
Year ended March 31, 2021						
Gross carrying amount						
Opening gross carrying amount	-	1,942	1,007	1,205	**4,154**	-
Addition	13,155	255	-	10,332	**23,742**	1,168
Closing gross carrying amount	**13,155**	**2,197**	**1,007**	**11,537**	**27,896**	**1,168**
Accumulated depreciation						
Opening accumulated depreciation	-	71	50	189	**309**	-
Depreciation charge during the year	303	195	201	2,077	**2,777**	-
Closing accumulated depreciation	**303**	**266**	**251**	**2,266**	**3,086**	**-**
Net carrying amount as at March 31, 2021	**12,852**	**1,932**	**756**	**9,271**	**24,811**	**1,168**
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount	13,155	2,197	1,007	11,537	**27,896**	**1,168**
Addition	1,428	725	1,120	27,973	**31,246**	
Capitalization during the year	-	-	-	-	**-**	(1,168)
Closing gross carrying amount	**14,583**	**2,922**	**2,127**	**39,510**	**59,142**	**-**
Accumulated depreciation						
Opening accumulated depreciation	303	266	251	2,266	**3,086**	-
Depreciation charge during the year	952	331	294	5,855	**7,432**	-
Closing accumulated depreciation	**1,255**	**596**	**545**	**8,121**	**10,518**	**-**
Net carrying amount as at March 31, 2022	**13,328**	**2,326**	**1,582**	**31,389**	**48,625**	**-**

MOTHERSON INNOVATIONS TECH LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR hundred, unless otherwise stated)

4. Intangible assets

Particulars	Software	Total
Year ended March 31, 2021		
Gross carrying amount		
Addition	3,800	**3,800**
Disposal	907	**907**
Closing gross carrying amount	**4,707**	**4,707**
Accumulated amortisation		
Amortisation charge during the year	315	**315**
Disposals	1,291	**1,291**
Closing accumulated amortisation	**1,606**	**1,606**
Net carrying amount as at March 31, 2021	**3,101**	**3,101**
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	4,707	**4,707**
Addition	16,905	**16,905**
Closing gross carrying amount	**21,612**	**21,612**
Accumulated amortisation		
Opening accumulated amortisation	1,606	**1,606**
Amortisation charge during the year	3,642	**3,642**
Closing accumulated amortisation	**5,248**	**5,248**
Net carrying amount as at March 31, 2022	**16,364**	**16,364**

(All amounts in INR hundred, unless otherwise stated)

5 Other financial assets

	March 31, 2022		March 31, 2021	
	Current	Non-Current	Current	Non-Current
(Unsecured, considered good unless otherwise stated)				
Security deposits to related parties (refer to note 29)	19,788	5,488	13,616	5,488
Prepaid expenses	12,548	1,751	2,509	2,393
Total	**32,336**	**7,239**	**16,125**	**7,881**

6 Deferred tax assets (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Provision for employee benefit obligations	8,857	5,836
Others	12,792	13,390
Deferred tax liabilities		
Property, plant and equipment	(14,717)	(14,044)
Total	**6,932**	**5,182**

Movement in Deferred tax assets

Year ended March 31, 2022	As at April 01, 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	(14,044)	(673)	-	(14,717)
Employee benefit provisions	5,836	3,310	(289)	8,857
Others	13,390	(598)	-	12,792
Total deferred tax assets	**5,182**	**2,039**	**(289)**	**6,932**
Recognised deferred tax assets/(liabilities) (net)	**5,182**	**2,039**	**(289)**	**6,932**

Year ended March 31, 2021	As at April 01, 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	**(127)**	(13,917)	-	(14,044)
Employee benefit provisions	**876**	4,700	260	5,836
Others		13,390		13,390
Total deferred tax assets	**749**	**4,173**	**260**	**5,182**
Recognised deferred tax assets/(liabilities) (net)	**749**	**4,173**	**260**	**5,182**

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MOTHERSON INNOVATIONS TECH LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR hundred, unless otherwise stated)

7 Trade receivables

	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Trade receivable from related parties (refer to note 29)	59,137	-
Total	**59,137**	**-**

Trade Receivables ageing schedule as on 31/03/2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good.	59,137						59,137
(ii) Undisputed Trade receivables- which have significant increase in credit risk.							
(iii) Undisputed Trade receivables- credit impaired							
(iv) Disputed Trade receivables- considered good.							
(v) Disputed Trade receivables- which have significant increase in credit risk.							
(vi) Disputed Trade receivables- credit impaired							

Trade Receivables ageing schedule as on 31/03/2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good.							-
(ii) Undisputed Trade receivables- which have significant increase in credit risk.							
(iii) Undisputed Trade receivables- credit impaired							
(iv) Disputed Trade receivables- considered good.							
(v) Disputed Trade receivables- which have significant increase in credit risk.							
(vi) Disputed Trade receivables- credit impaired							

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MOTHERSON INNOVATIONS TECH LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR hundred, unless otherwise stated)

8 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
-in current account	45,503	10,615
Total	**45,503**	**10,615**

9 Other current assets

	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Balance with government authorities	59,728	53,895
Advance to suppliers	308	-
Total	**60,036**	**53,895**

10. Share Capital

	As at March 31, 2022	As at March 31, 2021
Authorised:		
50,000 (March 31,2021: 50,000) equity shares of Rs.10 each	5,000	5,000
Issued, Subscribed and Paid up:		
50,000 (March 31,2021: 50,000) equity shares of Rs.10 each	5,000	5,000
Total	**5,000**	**5,000**
Movement in equity share capital		
	Numbers	**Amount**
As at March 31, 2021	500	5,000
As at March 31, 2022	**500**	**5,000**

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.**	**%**
Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (including 6 shares held by its nominee)	50,000	100%	50,000	100%
	50,000	**100%**	**50,000**	**100%**

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

11 Reserves and surplus

Retained earnings	As at March 31, 2022	As at March 31, 2021
Opening balance	23,414	10,442
Profit for the year	53,832	13,746
Remeasurements of post-employment benefit obligation, net of tax	860	(774)
Closing balance	**78,106**	**23,414**

12 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposit received	8,925	3,704
	8,925	**3,704**
Current		
Liability for capital expenditure	-	10,279
Employee benefits payable	16,205	9,439
	16,205	**19,718**
Total	**25,130**	**23,422**

(All amounts in INR hundred, unless otherwise stated)

13. Employee benefit obligations

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity	538	23,143	250	13,261
Compensated absences	517	18,772	271	10,649
Total	**1,055**	**41,915**	**521**	**23,910**

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

A. Defined Benefit Schemes

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Gratuity is payable at the time of separation from the company or retirement whichever is earlier. Every employee is entitle to a benefit equivalent to last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of services. The gratuity plan of the company is a non-funded plan.

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

	March 31, 2022	March 31, 2021
Obligations at year beginning	13,511	7,649
Service Cost - Current	5,191	3,509
Interest expense	928	517
Amount recognised in profit or loss	**19,630**	**11,675**
Remeasurements		
Actuarial (gain) / loss on obligation	(1,149)	1,034
Amount recognised in other comprehensive income	**(1,149)**	**1,034**
Additions due to transfer of employees	5,200	802
Obligations at year end	**23,680**	**13,511**

(ii) Assets and liabilities recognized in the Balance Sheet

	March 31, 2022	March 31, 2021
Present Value of the defined benefit obligations	23,680	13,511
Amount recognized as Liability	**23,680**	**13,511**

(iii) Defined benefit obligations cost for the year:

	March 31, 2022	March 31, 2021
Service Cost - Current	5,191	3,509
Interest Cost	928	517
Actuarial (gain) / loss	(1,149)	1,034
Net defined benefit obligations cost	**4,969**	**5,060**

(iv) Actuarial assumptions:

	March 31, 2022	March 31, 2021
Discount Rate per annum	7.26%	6.76%
Future salary increases	8.0%	8.0%

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

(v) Amount recognized in current year and previous four years:

	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined benefit obligations	23,680	13,511	7,649	-	-
	23,680	**13,511**	**7,649**	**-**	**-**

(v) Sensitivity Analysis

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

	Change in Assumption			Increase in Assumption			Decrease in Assumption	
	March 31, 2022	March 31, 2021	Impact	March 31, 2022	March 31, 2021	Impact	March 31, 2022	March 31, 2021
Discount rate per annum	0.50%	0.50%	Decrease by	(1,681)	(1,022)	Increase by	1,846	1,111
Future salary increases	0.50%	0.50%	Increase by	1,824	1,129	Decrease by	(1,678)	(1,016)

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 18.15 years

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2022 Defined benefit obligation (gratuity)	538	640	1,934	20,569	**23,680**
March 31, 2021 Defined benefit obligation (gratuity)	250	357	1,135	11,769	**13,511**

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 for the benefit of the employees.

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

	March 31, 2022	March 31, 2021
Provident fund paid to the authorities	13,738	7,447
	13,738	**7,447**

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14 Trade Payable

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises	225	2,418
Total outstanding dues of creditors other than micro and small enterprises		
-Related parties (refer to note 29)	66,068	26,964
-Others	27,534	9,277
Total	**93,827**	**38,659**

Trade Payables ageing schedule as on 31st March'2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	**Total**
Total outstanding dues of micro and small enterprises		225					**225**
Total outstanding dues of creditors other than micro and small enterprises	71,209	22,002	91	300			**93,602**
Disputed dues of micro and small enterprises							
Disputed dues of creditors other than micro and small enterprises							

Trade Payables ageing schedule as on 31st March'2021

Particulars	Outstanding for following periods from due date of payment						
	No due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	**Total**
Total outstanding dues of micro and small enterprises		2,418					**2,418**
Total outstanding dues of creditors other than micro and small enterprises		36,241					**36,241**
Disputed dues of micro and small enterprises							
Disputed dues of creditors other than micro and small enterprises							

15 Current tax liabilities (net)

	As at March 31, 2022	As at March 31, 2021
Current tax	3,339	3,510
Total	**3,339**	**3,510**

16 Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory dues including provident fund and tax deducted at source	12,692	3,807
Advance received from customers	12,678	-
Total	**25,370**	**3,807**

17 Revenue from contracts with customers

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales of services		
-Outside India	686,643	376,297
Total	**686,643**	**376,297**

MOTHERSON INNOVATIONS TECH LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR hundred, unless otherwise stated)

18 Other income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Exchange fluctuation-net	1,250	-
Interest income from financial assets at amortised cost	766	107
Miscellaneous Income	-	483
Total	**2,016**	**590**

19 Employee benefits expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary, wages and bonus	348,070	184,310
Contribution to provident & other funds	13,738	7,447
Staff welfare expenses	4,317	1,142
Total	**366,125**	**192,899**

20 Finance costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on income tax	-	355
Interest on lease liabilities	4,871	1,267
Bank charges	1,570	987
Total	**6,441**	**2,609**

21 Depreciation and amortization expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note no. 3)	7,432	2,776
Depreciation on right of use assets (refer note no. 31)	14,238	3,044
Amortisation of intangible assets (refer note no. 4)	3,642	1,291
Total	**25,312**	**7,111**

22 Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Design and development charges	46,541	40,533
Rates and taxes	63	32
Power and electricity	4,017	6,403
Repair & maintenance		
- Computer	681	622
- Vehicle	2,122	808
Lease rent		
- Premises	56,507	54,464
- Vehicle	897	132
Freight & cartage	164	51
Insurance	4,578	725
Donation	124	117
Membership fees	100	150
Recruitment expenses	8,998	1,244
Subscription	1,539	142
Training expenses	4,484	750
Consumable stores	-	32
Telephone expenses	134	-
Software licences	4,064	-
Printing & stationery	300	373
Travelling expenses	2,946	275
Office expenses	22,245	21,223
Payment to auditors	3,742	3,242
Legal and professional fee	37,438	17,702
Consultancy expenses	16,668	7,466
Exchange fluctuation-net	-	2,554
Miscellaneous expenses	78	1
Total	**218,430**	**159,040**

(a) Payment to auditors	For the year ended March 31, 2022	For the year ended March 31, 2021
As Auditor:		
Audit fees	3,242	3,242
In other capacity :		
Certification	500	-
Total	**3,742**	**3,242**

23 .Income tax expense

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

	For the year ended	
Profit and loss section	**March 31, 2022**	**March 31, 2021**
(a) Tax expense		
Current tax		
Current tax on profit for the year	20,558	5,655
Total current tax expense	**20,558**	**5,655**
Deferred tax (Refer note 6)		
(Increase)/Decrease in deferred tax assets (net)	(2,039)	(4,173)
Total deferred tax expense (benefit)	**(2,039)**	**(4,173)**
Income tax expense reported in statement of profit & loss	**18,519**	**1,482**
Income tax expense is attributable to:		
Profit from continuing operations	18,519	1,482
	18,519	**1,482**
(b) OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Remeasurements of post-employment benefit obligations	(289)	260
Income tax charged to OCI	**(289)**	**260**

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 before income tax expense	72,351	15,228
Tax at India's tax rate of 25.168 % (March 31, 2021 : 25.168 %)		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	18,209	3,833
Tax effect of amounts which are not deductible in calculating taxable income	1,786	-
Other adjustments	(1,476)	(2,350)
Income tax expense	**18,519**	**1,483**

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24 Earnings per share

(a) Basic

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax available for equity shareholders	54,693	12,972
Weighted average number of equity shares used to compute basic earnings per share	50,000	50,000
Basic earning per share	**109.39**	**25.94**

(a) Diluted (refer to note (i) below)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax available for equity Shareholders	54,693	12,972
Weighted average number of equity shares used to compute basic earnings per share	50,000	50,000
Diluted earning per share	**109.39**	**25.94**

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

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25. Fair value measurements

i. Financial instruments by category

	March 31, 2022			March 31, 2021		
	FVTPL	**FVTOCI**	**Amortised Cost***	**FVTPL**	**FVTOCI**	**Amortised Cost***
Financial assets						
Trade receivables	-	-	59,137	-	-	-
Cash and cash equivalents	-	-	45,503	-	-	10,615
Other financial assets	-	-	39,574	-	-	24,006
Total financial assets	**-**	**-**	**144,215**	**-**	**-**	**34,621**
Financial Liabilities						
Lease liabilities	-	-	50,956	-	-	53,228
Trade payables	-	-	93,827	-	-	38,658
Other financial liabilities	-	-	25,129	-	-	23,422
Total financial liabilities	**-**	**-**	**169,912**	**-**	**-**	**115,308**

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

	March 31, 2022			March 31, 2021		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets						
Other financials assets	-	-	32,336	-	-	16,125
Total financial assets	**-**	**-**	**32,336**	**-**	**-**	**16,125**
Financial liabilities						
Other financial liabilities	-	-	16,205	-	-	19,718
Total financial liabilities	**-**	**-**	**16,205**	**-**	**-**	**19,718**

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

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.

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

	March 31, 2022		March 31, 2021	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Other financial assets	7,239	7,239	7,881	7,881
Total	**7,239**	**7,239**	**7,881**	**7,881**
Financial liabilities				
Other financial liabilities	8,925	8,925	3,704	3,704
	8,925	**8,925**	**3,704**	**3,704**

The fair value of financial assets carried at amortized cost is calculated using discounted cash flow method

c. Valuation technique used to determine fair value

Discounted cashflow technique is used for valuation of financial instruments (covered in level 3) using significant unobservable input i.e. company's borrowing rat

26. Segment Information:

Description of segments and principal activities

The objects of the company is to engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing/ deploying technologies, electronics, computer software, systems integration and related services.

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 operates through a single segment, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

27. Capital management

Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to meet its capital requirement, the Company is generally funded by its shareholder, either as equity or debt.

28. Financial risk management

The Company, as an internationally active provider of IT services expose its business and products to various market risks, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks.

Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

Market risk:

Market risk is the risk that the fair value of future cashflows of a financial intruments will fluctuate because of changes in market price/rate. Market risk comprises : Foreign currency risk, Interest rate risk, Credit risk and Liquidity risk.

A Foreign currency risk:

The exchange variations in India has mainly impacted the imports, Company does not have arrangements with its major domestic customers for passing on the exchange impact on import purchase.

The unhedged foreign currency exposure is 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 INR	Amount in Foreign currency	Amount in INR
Trade receivable in USD	(785)	(59,138)	-	-
Trade receivable in Euro	150	12,679	27	1,970

(ii) Foreign currency sensitivity on unhedged exposure:

The following tables demonstrate the sensitivity on unhedged foreign currency exposures to a reasonably possible change in foreign exchange rates, with allThe 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:

	Change in exchange rate	Effect on profit before tax
March 31, 2022		
USD against INR	+5%	(2,957)
	-5%	2,957
Euro against INR	+5%	634
	-5%	(634)
March 31, 2021		
USD against INR	+5%	-
	-5%	-
Euro against INR	+5%	99
	-5%	(99)

B 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. For the period under review, the Company does not have any borrowings, therefore there is no interest rate risk.

C Credit risk:

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

D Liquidity risk:

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

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-derivatives				
Lease liabilities	13,452	37,504	-	**50,956**
Trade payables	93,827	-	-	**93,827**
Other financial liabilities	16,205	8,925	-	**25,130**
Total non-derivative liabilities	**123,484**	**46,429**	**-**	**169,913**

Year Ended March 31, 2021	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Lease liabilities	9,538	43,690	-	**53,228**
Trade payables	38,658	-	-	**38,658**
Other financial liabilities	19,718	3,704	-	**23,422**
Total non-derivative liabilities	**67,914**	**47,394**	**-**	**115,308**

29. Related party disclosures

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

A. Entities having control over the entity
Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited)

B. Fellow subsidiaries
Motherson Innovations Company Limited, UK

C. Other related parties
Motherson Auto Limited
Mothersonsumi Infotech and Design Limited
Motherson Air Travel Agencies Limited
Motherson Air Travel Agencies Limited, GmbH
Systematic Conscom Limited
Samvardhana Motherson International Limited
Motherson Invenzen Xlab Private Limited
AEES Inc. (Inter Group)
SMR Automotive Systems India Limited
Motherson Lease Solution Limited

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 29 (I) above:

(a) Transactions with related parties

S. No.	Particulars	Holding company		Fellow subsidiaries		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Sale of services	-	-	686,643	376,297	-	-
2	Purchase of services	194	-	-	-	78,381	49,409
3	Purchase of goods	-	11	-	-	4,054	3,551
4	Purchase of fixed assets	-	-	-	-	43,710	11,858
5	Lease rent	-	-	-	-	73,720	58,240
6	Reimbursements paid	-	-	-	-	17,859	7,717

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

S. No.	Particulars	Holding company		Fellow subsidiaries		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Trade receivables	-	-	-	-	46,459	-
2	Trade payables	-	-	-	-	66,068	32,254

(c) Loans & advances to / from related parties

S. No.	Particulars	Holding company		Fellow subsidiaries		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
i.	**Security deposits given:**						
	Opening balance	-	-	-	-	21,741	13,616
	Given	-	-	-	-	7,294	8,125
	Refund	-	-	-	-	-	-
	Closing balance	-	-	-	-	29,036	21,741

30. Capital and other commitments

	March 31, 2022	March 31, 2021
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed (Net of Advances of INR Nil)	-	5,881
Total	**-**	**5,881**

31. Leases

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

The Company has leases contracts for premises and vehicles. These lease arrangement for vehicles are for 5 years. The Company also has certain leases of premises with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right to use assets	**March 31, 2022**	**March 31, 2021**
Opening gross carrying amount	55,737	-
Additions during the year	10,070	55,737
Closing gross carrying amount	**65,807**	**55,737**

Accumulated depreciation	**March 31, 2022**	**March 31, 2021**
Opening accumulated depreciation	3,044	-
Depreciation charge during the year	14,238	3,044
Closing accumulated depreciation	**17,282**	**3,044**
Net carrying amount	**48,525**	**52,693**

Lease liabilities	**March 31, 2022**	**March 31, 2021**
Opening balance	53,228	-
Additions during the year	10,070	55,737
Finance cost charged during the year	4,871	1,267
Payments made during the year	(17,213)	(3,776)
Closing balance	**50,956**	**53,228**
Classified as current	13,452	9,538
Classified as non-current	37,504	43,690

The following are the amounts recognised in statement of profit and loss:	**March 31, 2022**	**March 31, 2021**
Depreciation expense on right-of-use assets	14,238	3,044
Finance cost	4,871	1,267
Total	**19,109**	**4,311**

32. Due to micro and small enterprises

Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.	**March 31, 2022**	**March 31, 2021**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	225	2,418
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting 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	-	-

34. Estimation of uncertainties relating to the global health pandemic from COVID-19

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 statements. 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. Since, the Company's operations have been impacted partially in the current and previous year by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments, the figures presented for the current and previous year are not strictly comparable.

35. Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

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

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

(v) The Company have 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

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

(vi) The Company have 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 Group shall:

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

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

(vii) The Company 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

(viii) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

36. Standard issued but not yet effective

There were no amendments to standards or new standards that are issued but not yet effective.

37 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company.Previous years figures have been regrouped / restated wherever necessary to conform with current years classification.

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

For and on behalf of the Board of Directors of
Motherson Innovations Tech Limited

per Anil Mehta Partner Membership No: 095812	Pankaj Mital Director DIN: 00194931	Rajat Jain Director DIN: 00658228
Place : New Delhi Date :	Place : Noida Date :	Place : Noida Date :