

|  | Note   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|--------|-------------------------|-------------------------|
| <b>ASSETS</b>  |        |                         |                         |
| <b>Non-current assets</b>  |        |                         |                         |
| Property, plant and equipment  | 3.     | 545.0                   | 544.4                   |
| Capital work in progress   | 3.     | 138.4                   | 67.4                    |
| Right-of-use assets  | 39.    | 592.5                   | 598.5                   |
| Intangible assets  | 4.     | 26.7                    | 59.3                    |
| Intangible assets under development  | 4.     | -                       | 25.5                    |
| Investment in subsidiaries   | 5.     | 44.5                    | 50.7                    |
| Financial assets   |        |                         |                         |
| i. Loans   | 13.(a) | 125.4                   | 119.5                   |
| ii. Other financial assets   | 6.     | 73.7                    | 58.2                    |
| Deferred tax assets (net)  | 7.     | 122.9                   | 84.2                    |
| Non-current tax assets (net)   | 8.     | 221.0                   | 114.5                   |
| Other non-current assets   | 9.     | 88.6                    | 56.4                    |
| <b>Total non-current assets</b>  |        | <b>1,978.7</b>          | <b>1,778.6</b>          |
| <b>Current assets</b>  |        |                         |                         |
| Inventories  | 10.    | 15.0                    | 0.8                     |
| Financial assets   |        |                         |                         |
| i. Trade receivables   | 11.    | 914.4                   | 610.4                   |
| ii. Cash and cash equivalents  | 12.(a) | 7.7                     | 37.7                    |
| iii. Bank balances other than (ii) above                                   | 12.(b) | 0.3                     | 0.4                     |
| iv. Loans  | 13.(b) | -                       | -                       |
| v. Other financial assets  | 6.     | 107.5                   | 72.9                    |
| Other current assets   | 14.    | 221.5                   | 146.2                   |
| <b>Total current assets</b>  |        | <b>1,266.4</b>          | <b>868.4</b>            |
| <b>Total assets</b>  |        | <b>3,245.1</b>          | <b>2,647.0</b>          |
| <b>EQUITY AND LIABILITIES</b>  |        |                         |                         |
| <b>Equity</b>  |        |                         |                         |
| Equity share capital   | 15.    | 129.7                   | 129.7                   |
| Other equity   |        |                         |                         |
| Reserves and surplus   | 16.    | 299.5                   | 665.7                   |
| <b>Total equity</b>  |        | <b>429.2</b>            | <b>795.4</b>            |
| <b>Liabilities</b>   |        |                         |                         |
| <b>Non current liabilities</b>   |        |                         |                         |
| Financial Liabilities  |        |                         |                         |
| i. Borrowings  | 17.(a) | 475.3                   | 299.4                   |
| ia. Lease liabilities  | 39.    | 123.1                   | 174.7                   |
| ib. Other financial liabilities  | 21.    | 60.8                    | 36.1                    |
| Employee benefit obligations   | 18.    | 252.0                   | 264.7                   |
| Other non-current liabilities  | 19.    | 30.0                    | 36.6                    |
| <b>Total non-current liabilities</b>                                       |        | <b>941.2</b>            | <b>811.5</b>            |
| <b>Current liabilities</b>   |        |                         |                         |
| Financial Liabilities  |        |                         |                         |
| i. Borrowings  | 17.(b) | 834.3                   | 277.3                   |
| ia. Lease liabilities  | 39.    | 75.8                    | 77.6                    |
| ii. Trade payables   | 20.    |                         |                         |
| total outstanding dues of micro and small enterprises                      |        | 21.3                    | 33.5                    |
| total outstanding dues of creditors other than micro and small enterprises |        | 371.2                   | 178.2                   |
| iii. Employee related payables   |        | 200.5                   | 155.6                   |
| iv. Other financial liabilities  | 21.    | 86.1                    | 109.1                   |
| Provisions   | 22.    | 24.4                    | 24.3                    |
| Employee benefit obligations   | 18.    | 21.5                    | 28.8                    |
| Other current liabilities  | 19.    | 226.8                   | 143.0                   |
| Current tax liabilities  |        | 12.8                    | 12.8                    |
| <b>Total current liabilities</b>   |        | <b>1,874.7</b>          | <b>1,040.1</b>          |
| <b>Total liabilities</b>   |        | <b>2,815.9</b>          | <b>1,851.6</b>          |
| <b>Total equity and liabilities</b>  |        | <b>3,245.1</b>          | <b>2,647.0</b>          |

Summary of significant accounting policies

2.

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

As per our report on even date.

For S. R. Batliboi & Co. LLP

Chartered Accountants  
 Firm registration number: 301003E / E300005

For and on behalf of the Board of Directors of

Motherhood Technology Services Limited (formerly known as MotherhoodSumi INFotech & Designs Limited)

per Anil Mehta  
 Partner  
 Membership No: 095812

Laksh Vaaman Sehgal  
 Director  
 DIN 00048584

Lata Unnikrishnan  
 Director  
 DIN 08391470

Rajesh Thakur  
 Chief Executive Officer  
 PAN ACSPT8411E

Rajesh Srivastava  
 Chief Financial Officer  
 PAN ADLPS2125A

Place: New Delhi

Place: Noida

**Motherhood Technology Services Limited** (formerly known as MotherhoodSumi INFotech & Designs Limited)  
**Standalone statement of profit and loss for the year ended March 31, 2022**

(All amounts in INR Million, unless otherwise stated)

|   | Note   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------|--------------------------------------|--------------------------------------|
| <b>Revenue</b>  |        |                                      |                                      |
| Revenue from contracts with customers   | 23.(a) | 4,254.9                              | 3,351.4                              |
| Other operating revenue   | 23.(b) | 14.5                                 | 50.2                                 |
| <b>Total revenue from operations</b>  |        | <b>4,269.4</b>                       | <b>3,401.6</b>                       |
| Other income  | 24.    | 41.4                                 | 33.1                                 |
| <b>Total income</b>   |        | <b>4,310.8</b>                       | <b>3,434.7</b>                       |
| <b>Expenses</b>   |        |                                      |                                      |
| Purchase of stock-in-trade  |        | 320.0                                | 262.2                                |
| Changes in inventory of stock in trade  | 25.    | (14.2)                               | 0.6                                  |
| Employee benefits expense   | 26.    | 2,242.7                              | 1,690.6                              |
| Finance costs   | 28.    | 91.7                                 | 56.9                                 |
| Depreciation and amortization expense   | 27.    | 159.8                                | 157.8                                |
| Other expenses  | 29.    | 1,936.6                              | 1,134.9                              |
| <b>Total expenses</b>   |        | <b>4,736.6</b>                       | <b>3,303.0</b>                       |
| <b>Profit/ (loss) before tax</b>  |        | <b>(425.8)</b>                       | <b>131.7</b>                         |
| <b>Tax expenses</b>   |        |                                      |                                      |
| -Current tax  | 30.    | -                                    | 50.5                                 |
| -Adjustment of current tax relating to earlier periods  |        | -                                    | 12.1                                 |
| -Deferred tax expense   |        | (44.0)                               | (13.0)                               |
| <b>Total tax expense</b>  |        | <b>(44.0)</b>                        | <b>49.5</b>                          |
| <b>Profit/ (loss) for the year</b>  |        | <b>(381.8)</b>                       | <b>82.2</b>                          |
| <b>Other comprehensive income</b>   |        |                                      |                                      |
| <b>Items that will not be reclassified to profit or loss and its related income tax effects</b> |        |                                      |                                      |
| Remeasurements gains/ (losses) on post-employment benefit obligations                           | 18.    | 20.9                                 | (7.6)                                |
| Deferred tax credit on remeasurements gains/ (losses) on post-employment benefit obligations    |        | (5.3)                                | 1.9                                  |
| <b>Other comprehensive income for the year, net of tax</b>                                      |        | <b>15.6</b>                          | <b>(5.7)</b>                         |
| <b>Total comprehensive income for the year</b>  |        | <b>(366.2)</b>                       | <b>76.5</b>                          |
| <b>Earnings/ (loss) per share</b>   |        |                                      |                                      |
| Nominal value per share: INR 10/- (Previous year : INR 10/-)                                    |        |                                      |                                      |
| Basic (INR per share)   | 31.(a) | (29.4)                               | 6.3                                  |
| Diluted (INR per share)   | 31.(b) | (29.4)                               | 6.3                                  |

Summary of significant accounting policies

2.

The above Standalone statement of profit and loss should be read in conjunction with the accompanying notes

As per our report on even date.

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm registration number: 301003E / E300005

per Anil Mehta

Partner

Membership No: 095812

For and on behalf of the Board of Directors of

Motherhood Technology Services Limited (formerly known as MotherhoodSumi INFotech & Designs Limited)

Laksh Vaaman Sehgal

Director

DIN 00048584

Lata Unnikrishnan

Director

DIN 08391470

Rajesh Thakur

Chief Executive Officer

PAN ACSPT8411E

Rajesh Srivastava

Chief Financial Officer

PAN ADLPS2125A

Place: New Delhi

Place: Noida

**Standalone statement of changes in equity as at March 31, 2022**

**A. Equity share capital**

For the year ended March 31, 2022

| Equity shares of INR 10/- each issued, subscribed and fully paid | Notes | Numbers            | Amount       |
|--|-------|--------------------|--------------|
| <b>As at April 1, 2020</b>                                       |       | 1,29,73,453        | 129.7        |
| Balance as at April 01, 2020                                     |       | 1,29,73,453        | 129.7        |
| Issue of share capital   | 15.   | -                  | -            |
| <b>As at March 31, 2021</b>                                      |       | <b>1,29,73,453</b> | <b>129.7</b> |
| Balance as at April 01, 2021                                     |       | 1,29,73,453        | 129.7        |
| Issue of share capital   | 15.   | -                  | -            |
| <b>As at March 31, 2022</b>                                      |       | <b>1,29,73,453</b> | <b>129.7</b> |

| B. Other equity                                | Note | Reserves and surplus       |                         |                            |                   | Total        |
|--|------|----------------------------|-------------------------|----------------------------|-------------------|--------------|
|  |      | Securities premium reserve | Reserve on amalgamation | Capital redemption reserve | Retained Earnings |              |
| <b>As at April 1, 2020</b>                     | 16.  | 21.5                       | 0.1                     | 80.0                       | 487.6             | 589.2        |
| Profit for the year                            |      | -                          | -                       | -                          | 82.2              | 82.2         |
| Other comprehensive income (Refer note 18)     |      | -                          | -                       | -                          | (5.7)             | (5.7)        |
| <b>Total comprehensive income for the year</b> |      | <b>21.5</b>                | <b>0.1</b>              | <b>80.0</b>                | <b>564.1</b>      | <b>665.7</b> |
| <b>As at March 31, 2021</b>                    |      | <b>21.5</b>                | <b>0.1</b>              | <b>80.0</b>                | <b>564.1</b>      | <b>665.7</b> |
| Profit/ (loss) for the year                    |      | -                          | -                       | -                          | (381.8)           | (381.8)      |
| Other comprehensive income (Refer note 18)     |      | -                          | -                       | -                          | 15.6              | 15.6         |
| <b>Total comprehensive income for the year</b> |      | <b>21.5</b>                | <b>0.1</b>              | <b>80.0</b>                | <b>197.9</b>      | <b>299.5</b> |
| <b>As at March 31, 2022</b>                    |      | <b>21.5</b>                | <b>0.1</b>              | <b>80.0</b>                | <b>197.9</b>      | <b>299.5</b> |

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

As per our report on even date.

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm registration number: 301003E / E300005

For and on behalf of the Board of Directors of

**Motherhood Technology Services Limited** (formerly known as MotherhoodSumi INFotech & Designs Limited)

per Anil Mehta

Partner

Membership No: 095812

Laksh Vaaman Sehgal

Director

DIN 00048584

Lata Unnikrishnan

Director

DIN 08391470

Rajesh Thakur

Chief Executive Officer

PAN ACSPT8411E

Rajesh Srivastava

Chief Financial Officer

PAN ADLPS2125A

Place: New Delhi

Place: Noida

|   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2022     | March 31, 2021 |
| <b>A. Cash flow from operating activities:</b>  |                    |                |
| Profit/ (loss) before tax   | (425.8)            | 131.7          |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i>                  |                    |                |
| Depreciation of property, plant and equipment and right-of-use assets                 | 120.8              | 107.1          |
| Amortisation expense of intangible assets   | 39.0               | 50.7           |
| Unrealised foreign exchange (gain)/loss   | 0.5                | 3.3            |
| Provision for impairment of investment  | 7.0                | -              |
| Provision for expected credit loss on loans receivables                               | 165.6              | -              |
| Gain on disposal of property, plant & equipment (net)                                 | (2.0)              | -              |
| Provision for doubtful debts  | 7.9                | 24.9           |
| Finance income  | (21.0)             | (14.8)         |
| Finance cost  | 91.7               | 56.9           |
| Intangible asset written off  | 25.5               | -              |
| Fair value gain on financial instruments at fair value through profit or loss (FVTPL) | (1.5)              | 0.1            |
| Fair value loss on financial instruments at fair value through profit or loss (FVTPL) | 21.2               | -              |
| <b>Operating profit before working capital changes</b>                                | <b>29.0</b>        | <b>359.9</b>   |
| <b>Working capital adjustments:</b>   |                    |                |
| Increase/(Decrease) in trade payables   | 225.5              | (58.4)         |
| Increase/(Decrease) in other financial liabilities                                    | 3.4                | (1.0)          |
| Increase/(Decrease) in provisions   | 1.1                | 25.6           |
| Increase/(Decrease) in other liabilities  | 77.1               | 41.5           |
| (Increase)/Decrease in trade Receivables  | (310.5)            | (57.5)         |
| (Increase)/Decrease in inventories  | (14.2)             | 0.6            |
| (Increase)/Decrease in financial assets   | (35.0)             | 41.6           |
| (Increase)/Decrease in other non-current Assets                                       | (32.2)             | 6.0            |
| (Increase)/Decrease in other current Assets   | (75.3)             | (0.5)          |
| <b>Cash generated from operations</b>   | <b>(131.1)</b>     | <b>358.0</b>   |
| - Income Tax paid (net of refund)   | (106.5)            | (4.5)          |
| <b>Net cash generated from/ (used in) operations</b>                                  | <b>(237.6)</b>     | <b>353.5</b>   |
| <b>B. Cash flow from investing activities:</b>  |                    |                |
| Purchase of property, plant and equipment   | (207.5)            | (186.7)        |
| Purchase of intangible assets   | (6.4)              | -              |
| Intangible assets under development   | (0.0)              | (44.3)         |
| Proceeds from sale of property, plant & equipment                                     | 10.0               | (0.9)          |
| Acquisition of subsidiary   | (22.0)             | (7.9)          |
| Proceeds from maturity of deposits (net)  | 0.1                | (0.3)          |
| Loan given to related parties   | (171.5)            | (62.5)         |
| Interest received (finance income)  | 8.9                | -              |
| <b>Net cash used in investing activities</b>  | <b>(388.3)</b>     | <b>(299.8)</b> |
| <b>C. Cash flow from financing activities:</b>  |                    |                |
| Unpaid dividend transferred to Investor Education Provident Fund                      | (0.1)              | 0.3            |
| Repayments of long term borrowings  | (200.4)            | (40.1)         |
| Proceeds from long term borrowings  | 226.3              | 246.0          |
| Proceeds from short term borrowings (net)   | 417.1              | (116.3)        |
| Interest paid   | (42.8)             | (15.5)         |
| Loan taken/(repaid) from related parties (net)  | 290.0              | -              |
| Payment of principal portion of lease liabilities                                     | (93.8)             | (94.1)         |
| <b>Net cash from/(used in) financing activities</b>                                   | <b>596.2</b>       | <b>(19.8)</b>  |
| <b>Net increase/(decrease) in cash &amp; cash equivalents</b>                         | <b>(29.7)</b>      | <b>33.8</b>    |
| Net foreign exchange difference   | (0.0)              | 0.8            |
| <b>Cash and cash equivalents at the beginning of the year</b>                         | <b>37.7</b>        | <b>3.1</b>     |
| <b>Cash and cash equivalents at year end</b>  | <b>8.0</b>         | <b>37.7</b>    |
| <b>Cash and cash equivalents comprise of the following:</b>                           |                    |                |
| Cash on hand  | 12.(a)             | 0.1            |
| Balances with banks   | 12.(a)             | 7.6            |
| <b>Cash and cash equivalents as per balance sheet</b>                                 | <b>7.7</b>         | <b>37.7</b>    |

Summary of significant accounting policies

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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".
- ii) Figures in brackets indicate cash outflow.

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

As per our report on even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm registration number: 301003E / E300005

**For and on behalf of the Board of Directors of**

**Motherson Technology Services Limited** (formerly known as MothersonSumi INFotech & Designs Limited)

**per Anil Mehta**

Partner

Membership No: 095812

**Laksh Vaaman Sehgal**

Director

DIN 00048584

**Lata Unnikrishnan**

Director

DIN 08391470

**Rajesh Thakur**

Chief Executive Officer

PAN ACSPT8411E

**Rajesh Srivastava**

Chief Financial Officer

PAN ADLPS2125A

Place: New Delhi

Place: Noida

## 1 Corporate Information

Motherson Technology Services Limited (formerly known as MothersonSumi INFotech & Designs Limited) was incorporated and domiciled in India on 15th April 1985 and specializes in Software Development, Engineering & Design. The address of its registered office of 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura road, New Delhi-44. The company is an IT and Engineering Design Services company with a global footprint providing Consulting and Outsourcing services.

The name of the Company has been changed form "MothersonSumi INFotech & Designs Limited" to "Motherson Technology Services Limited" w.e.f. May 19, 2022.

The standalone financial statements were authorized for issue in accordance with resolution of the Board of Directors on May 24, 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 statement.

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

- Derivative financial instruments (refer note 33)
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) Note 32 and .
- Defined benefit pension plans – plan assets measured at fair value (Note 18)

The financial statements are presented in INR and all values are rounded to million with one decimal, except when otherwise indicated.

##### New and amended standards and interpretations

The Company applied for the first time certain standards or amendments which are effective for annual periods beginning 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.

##### 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.

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.

#### (b) Presentation of financial statements

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

- i) The normal course of business
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the company

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

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
  - It is held primarily for the purpose of trading
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.

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

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

#### (d) Foreign currencies

- Functional and presentation currency

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

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

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

#### (e) Revenue recognition and Other income

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

##### Trading of hardware and software

Revenue from trading of hardware and software is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

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 hardware and software, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The revenue from support services associated with the sale of hardware and software, which forms a separate performance obligation than the sale of hardware and software itself, is recognised by the Company over the period of time as and when the services are rendered to the customers.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period.

##### Variable consideration

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

##### Rendering of services

Revenue from sale of services are recognised over the period of time to the extent the related services are rendered as per the respective agreements as and when the customer consumed the benefits provided to them.

Revenue on time-and-material and unit of work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. The revenue from the last invoicing to the report date is recognised as unbilled revenue. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

In arrangements for bundled contracts, the company has applied the revenue recognition criteria for each distinct performance obligation. The arrangements with the customers generally meet the criteria for considering goods and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of the contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where it is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

##### 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 less than one year.

##### Warranty obligations

The Company typically has to re-work over the delivered services if required by the customers or deliveries don't need the specifications of the customers. These are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

##### Principal versus agent considerations

In instances where revenue is derived from sales of third-party vendor services, material, services or licenses, revenue is recorded on a gross basis since the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably being company control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

#### 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.

#### Contract assets

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

#### Contract liabilities

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

#### Impairment

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

### (f) Other income

#### Interest

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 the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### Dividend

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

#### Other items of income

- Income from scrips are recognised on grant of authorisation on market/recoverable value.
- Other items of income are accounted as and when the right to receive arises.

### (g) Income tax

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

#### Current income tax

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 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 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 calculated using tax rates on the basis of tax 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 off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to off set 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.

### (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 of consideration is considered as lease.

#### As a Lessee

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

#### Right-of-use assets

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

| Asset type | Years     |
|------------|-----------|
| Land       | 90 Years  |
| Vehicles   | 4-5 Years |
| Building   | 3-6 Years |

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

#### 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 receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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

#### **Short-term leases and leases of low-value assets**

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

#### **As a Lessor**

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

#### **(i) 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 or loss.

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

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

#### **(j) Cash and cash equivalents**

Cash and cash equivalent includes cash on 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **(k) Inventories**

Stock in trade are stated at the lower of cost and net realisable value. Cost of traded goods comprise cost of purchase and is determined after rebate and discounts.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on first-in-first out basis.

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

#### **(l) Financial instruments**

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

##### **Financial assets**

##### **Initial recognition and measurement**

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

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

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

##### **Subsequent measurement**

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

- Debt instruments at amortised cost
- Debt instruments and derivatives at fair value through profit or loss (FVTPL)
- Equity instruments at cost

##### **Debt instruments at amortised cost**

This category is the most relevant to the Company. A 'debt instrument' is measured at the amortised 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 amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### **Debt instrument at FVTOCI**

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

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

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 statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

#### **Debt instrument at FVTPL**

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

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

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

#### **Equity investments at cost**

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

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

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

### **(m) 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 amortised cost e.g., loans, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Lease receivables under Ind AS 116

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

- Trade receivables or contract revenue receivables;
- Loan receivables

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

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

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

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

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

Financial assets measured as at amortised cost, contractual revenue receivables and loan 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.

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

### **(n) 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 as appropriate.

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

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

#### **Subsequent measurement**

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

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

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

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

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

#### Loans and borrowings

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

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

This category generally applies to borrowings and other payables.

#### Derecognition

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

#### Reclassification of financial assets

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

#### Offsetting of financial instruments

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

#### (o) Fair value measurement

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

- the principal market for the asset or liability, or
- 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (Note 2.2, 32)
- Quantitative disclosures of fair value measurement hierarchy ( Note 32)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (Note 6, 11, 12, 13, 17, 20, 21, 32, 39)

#### (p) Derivative financial instruments

##### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

#### (q) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs on qualifying assets if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and

the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

#### Depreciation methods and useful lives

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

| Assets                 | Useful life considered by the company                       |
|------------------------|---|
| Leasehold improvements | Over the period of lease or useful life, whichever is lower |
| Vehicles*              | 4 years   |
| Plant and machinery    | 10 years  |
| Office equipment       | 5 years   |
| Buildings              | 30 years  |
| Computers hardware*    | 3 years   |
| Computers network*     | 3 years   |
| Furniture & fixtures*  | 6 years   |

\* Useful life of these assets are different from the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets.

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

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

#### (r) Intangible assets

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

#### Intangible (Software) costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised 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

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

#### (s) 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 capitalised 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.

#### (t) Provisions and contingent liabilities

##### Provisions

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

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

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.

##### Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract exceed the related revenue of the contract, the Company makes a provision for the difference.

##### 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.

#### (u) 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. The company recognizes contribution payable to the provident fund scheme as expenditure in the statement of profit and loss, when an employee renders the related service.

##### Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The 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 or 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 or loss.

#### **(v) Dividends**

The Company recognises a liability to pay dividend to equity holders when the amount of dividend is 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.

#### **(w) 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.

##### **(i) 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 and intangible assets**

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 18

##### **(iii) Taxes**

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

##### **(iv) Percentage completion of recognition of revenue**

The Company uses the percentage-of-completion method in accounting for 'unbilled revenue' from contract with customers. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

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

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

(All amounts in INR Million, unless otherwise stated)

**3. Property plant and equipment**

| Particulars                        | Leasehold Improvements | Buildings | Plant & Machinery | Furniture & fixtures | Office equipments | Computer hardware | Computer network | Total | Capital work-in-progress |
|------------------------------------|------------------------|-----------|-------------------|----------------------|-------------------|-------------------|------------------|-------|--------------------------|
| <b>Gross block</b>                 |                        |           |                   |                      |                   |                   |                  |       |                          |
| <b>At April 01, 2020</b>           | 1.0                    | 248.7     | 36.9              | 20.6                 | 44.0              | 136.4             | 42.7             | 530.3 | 141.9                    |
| Additions                          | -                      | 143.8     | 9.1               | 8.5                  | 18.6              | 43.8              | 16.4             | 240.1 | 105.4                    |
| Disposals/ deletion                | -                      | -         | -                 | -                    | -                 | -                 | -                | -     | (179.9)                  |
| <b>At March 31, 2021</b>           | 1.0                    | 392.5     | 46.0              | 29.1                 | 62.6              | 180.2             | 59.0             | 770.4 | 67.4                     |
| Additions                          | -                      | -         | 1.4               | 0.4                  | 3.3               | 82.9              | 11.6             | 99.5  | 79.6                     |
| Disposals/ deletion                | -                      | -         | -                 | -                    | -                 | (8.4)             | -                | (8.4) | (8.7)                    |
| <b>At March 31, 2022</b>           | 1.0                    | 392.5     | 47.3              | 29.6                 | 65.9              | 254.7             | 70.6             | 861.5 | 138.4                    |
| <b>Depreciation and impairment</b> |                        |           |                   |                      |                   |                   |                  |       |                          |
| <b>At April 01, 2020</b>           | 1.0                    | 16.8      | 6.0               | 7.1                  | 10.9              | 77.7              | 24.3             | 143.8 | -                        |
| Depreciation charge for the year   | -                      | 11.4      | 4.3               | 3.9                  | 10.2              | 39.7              | 12.6             | 82.2  | -                        |
| <b>At March 31, 2021</b>           | 1.0                    | 28.2      | 10.4              | 11.0                 | 21.1              | 117.4             | 36.9             | 226.0 | -                        |
| Depreciation charge for the year   | -                      | 14.4      | 4.9               | 4.7                  | 12.4              | 48.5              | 13.7             | 98.6  | -                        |
| Disposals/ deletion                | -                      | -         | -                 | -                    | -                 | (8.1)             | -                | (8.1) | -                        |
| <b>At March 31, 2022</b>           | 1.0                    | 42.5      | 15.2              | 15.8                 | 33.5              | 157.9             | 50.6             | 316.5 | -                        |
| <b>Net book value</b>              |                        |           |                   |                      |                   |                   |                  |       |                          |
| <b>At March 31, 2022</b>           | -                      | 349.9     | 32.1              | 13.8                 | 32.4              | 96.9              | 19.9             | 545.0 | 138.4                    |
| <b>At March 31, 2021</b>           | -                      | 364.3     | 35.6              | 18.1                 | 41.5              | 62.8              | 22.1             | 544.4 | 67.4                     |

(i) Property plant & equipment pledged as security : refer note 37 for information on property, plant and equipment pledged as security by the company.

(ii) Contractual obligations: Refer to note 38 (ii) for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(iii) During the year ended March 31, 2022, the Company has capitalised borrowing cost amounting to INR 4.7 millions (March 31, 2021: INR 8.1 million) in qualifying asset. Borrowing cost were capitalised at weighted average rate of 7.40% (March 31, 2021 : 7.70%).

**Capital work in progress (CWIP) ageing schedule**

**As at March 31, 2022**

| Description                    | Amount in CWIP for a period of |           |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress           | 71.0                           | 21.1      | 26.1      | 20.2              | 138.4 |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     |
| Total                          | 71.0                           | 21.1      | 26.1      | 20.2              | 138.4 |

**As at March 31, 2021**

| Description                    | Amount in CWIP for a period of |           |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Projects in progress           | 21.1                           | 26.1      | 20.2      | -                 | 67.4  |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     |
| Total                          | 21.1                           | 26.1      | 20.2      | -                 | 67.4  |

**Details of CWIP whoes completion is overdue or exceeded the cost compared to its original plan as at March 31, 2022 and as at March 31, 2021:**

Though there have been various changes in designs, delay in approvals from various government authorities combined with pandemic situation over past 2 years, the construction of the building at sector 156 Noida will be completed by March 2024 as stipulated by Noida authority.

**Motherson Technology Services Limited (formerly known as MothersonSumi INFotech & Designs Limited)**

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

(All amounts in INR Million, unless otherwise stated)

**4. Intangible assets**

| Particulars               | Software*    | Intangible asset under development |
|---------------------------|--------------|------------------------------------|
| <b>Gross block</b>        |              |                                    |
| At April 01, 2020         | 145.3        | 24.6                               |
| Additions**               | 44.3         | 42.1                               |
| Disposal/ deletion        | -            | (41.2)                             |
| <b>At March 31, 2021</b>  | <b>189.6</b> | <b>25.5</b>                        |
| Additions**               | 6.4          | -                                  |
| Disposals/ deletion       | -            | (25.5)                             |
| <b>At March 31, 2022</b>  | <b>196.0</b> | <b>-</b>                           |
| <b>Amortisation</b>       |              |                                    |
| At April 01, 2020         | 79.6         | -                                  |
| Amortisation for the year | 50.7         | -                                  |
| <b>At March 31, 2021</b>  | <b>130.3</b> | <b>-</b>                           |
| Amortisation for the year | 39.0         | -                                  |
| <b>At March 31, 2022</b>  | <b>169.4</b> | <b>-</b>                           |
| <b>Net book value</b>     |              |                                    |
| At March 31, 2022         | <b>26.7</b>  | <b>-</b>                           |
| At March 31, 2021         | 59.3         | 25.5                               |

\* Represents purchased intangible assets

\*\* Intangible assets under development/ Software includes capitalization of employee benefit expenses amounting to Nil (March 31, 2021 : INR 42.2 million)

**(a) Intangible asset under development (IAUD) ageing schedule**

**As at March 31, 2022**

| Description                    | Amount in IAUD for a period of |           |           |                   | Total    |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |          |
| Projects in progress           | -                              | -         | -         | -                 | -        |
| Projects temporarily suspended | -                              | -         | -         | -                 | -        |
| <b>Total</b>                   | <b>-</b>                       | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>-</b> |

**As at March 31, 2021**

| Description                    | Amount in IAUD for a period of |           |           |                   | Total       |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |             |
| Projects in progress           | 25.5                           | -         | -         | -                 | <b>25.5</b> |
| Projects temporarily suspended | -                              | -         | -         | -                 | -           |
| <b>Total</b>                   | <b>25.5</b>                    | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>25.5</b> |

IAUD, whose completion is overdue or has exceeded its cost compared to its original plan is Nil as at March 31, 2022

Financial assets

5. Non-Current investments

a) Unquoted investment valued at cost, unless otherwise stated

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>MothersonSumi Infotech and Designs SG Pte. Ltd., Singapore</b><br>1,795,000 equity shares (March 31, 2021: 1,795,000) of SGD 1/- each fully paid up            | 86.1                    | 86.1                    |
| <b>Samvardhana Motherson Virtual Analysis Limited, India</b><br>2,098,642 equity shares (March 31, 2021: 2,098,642) of INR 10/- each fully paid up                | 12.1                    | 12.1                    |
| <b>Motherson Auto Engineering Service Limited, India</b><br>3,500,000 equity shares (March 31, 2021: 3,500,000) of INR 10/- each fully paid up                    | 2.3                     | 2.3                     |
| <b>SMI Consulting Technologies, Inc., USA</b><br>100,000 equity shares (March 31, 2021: 100,000) of USD 1/- each fully paid up                                    | 6.9                     | 6.9                     |
| <b>Samvardhana Motherson Health Solution Limited, India</b><br>10,000 equity shares (March 31, 2021: 10,000) of INR 10/- each fully paid up                       | 0.1                     | 0.1                     |
| <b>MothersonSumi Infotek And Design GmbH, Germany</b><br>25,000 equity shares (March 31, 2021: 25,000) of EUR 1/- each fully paid up                              | 2.2                     | 2.2                     |
| <b>MSID U.S., INC., USA</b><br>100 equity shares (March 31, 2021: 100) of USD 10/- each fully paid up   | 0.0                     | 0.0                     |
| <b>Motherson Infotek Designs Mid East FZ-LLC, UAE</b><br>400 equity shares (March 31, 2021: 400) of AED 1,000 /- each fully paid up                               | 8.0                     | 8.0                     |
| <b>Motherson Infotech and Solutions UK Limited</b><br>1,00,000 equity shares (March 31, 2021: Nil) of GBP 1 /- each fully paid up<br>(refer note (i) below)       | 13.1                    | -                       |
| <b>Motherson Information Technologies Spain S.L.U.</b><br>1,00,000 equity shares (March 31, 2021: Nil) of Euro 1 /- each fully paid up<br>(refer note (ii) below) | 8.9                     | -                       |
| <b>Total (a)</b>  | <b>139.7</b>            | <b>117.7</b>            |
| <b>b) Unquoted investment valued at FVTPL</b>   |                         |                         |
| <b>SMI Consulting Technologies, Inc., USA</b><br>300,000 preference shares (March 31, 2021: 300,000) of USD 1/- each fully paid up                                | -                       | 21.2                    |
| <b>Total (b)</b>  | -                       | 21.2                    |
| Less: Impairment allowance (refer note (iii) below)   | 95.2                    | 88.2                    |
| <b>Total Investment in subsidiaries</b>   | <b>44.5</b>             | <b>50.7</b>             |
| <b>TOTAL</b>  | <b>44.5</b>             | <b>50.7</b>             |
| Aggregate amount of unquoted investments  | 139.7                   | 138.9                   |
| Aggregate amount of impairment in the value of investments  | 95.2                    | 88.2                    |

(i) During the current year, the Motherson Infotech and Solutions UK Limited, UK allotted 1,00,000 Equity shares (March 31, 2021: Nil) of GBP 1/- each fully paid up to the Company.

(ii) During the current year, the Motherson Information Technologies Spain S.L.U., Spain allotted 1,00,000 Equity shares (March 31, 2021: Nil) of Euro 1/- each fully paid up to the Company.

(iii) Impairment allowance of investments

- a) MothersonSumi Infotech and Designs SG Pte. Ltd., Singapore  
b) Samvardhana Motherson Virtual Analysis Limited, India  
c) SMI Consulting Technologies, Inc., USA  
d) Samvardhana Motherson Health Solution Limited, India

|              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------|-------------------------|-------------------------|
| a)           | 86.1                    | 86.1                    |
| b)           | 2.2                     | 2.1                     |
| c)           | 6.9                     | -                       |
| d)           | 0.1                     | -                       |
| <b>Total</b> | <b>95.2</b>             | <b>88.1</b>             |

6. Other Financial assets

Financial instruments at amortised cost (unless otherwise stated)

Security deposits - Considered good, unsecured

|   | As at<br>March 31, 2022 |             | As at<br>March 31, 2021 |             |
|---|-------------------------|-------------|-------------------------|-------------|
|   | Current                 | Non-current | Current                 | Non-current |
| - with related parties (refer note 35)                    | 2.0                     | 54.7        | 10.3                    | 42.3        |
| - with others   | 0.9                     | 9.5         | 3.0                     | 7.8         |
| Unbilled Revenue  | 87.0                    | -           | 50.2                    | -           |
| Derivative assets*  | 1.5                     | -           | -                       | -           |
| Deposits with bank held as margin for issue of guarantees | -                       | 9.5         | -                       | 8.1         |
| Interest receivable (refer note 35)                       | 16.1                    | -           | 9.4                     | -           |
| <b>Total</b>  | <b>107.5</b>            | <b>73.7</b> | <b>72.9</b>             | <b>58.2</b> |

\* Derivative assets measured at fair value through profit or loss (FVTPL)

Unbilled revenue ageing schedule

As at March 31, 2022

| Description      | Amount of unbilled revenue for a period of |           |           |                   | Total       |
|------------------|--|-----------|-----------|-------------------|-------------|
|                  | Less than 1 year                           | 1-2 years | 2-3 years | More than 3 years |             |
| Unbilled revenue | 87.0                                       | -         | -         | -                 | 87.0        |
| <b>Total</b>     | <b>87.0</b>                                | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>87.0</b> |

As at March 31, 2021

| Description      | Amount of unbilled revenue for a period of |            |           |                   | Total       |
|------------------|--|------------|-----------|-------------------|-------------|
|                  | Less than 1 year                           | 1-2 years  | 2-3 years | More than 3 years |             |
| Unbilled revenue | 45.2                                       | 5.0        | -         | -                 | 50.2        |
| <b>Total</b>     | <b>45.2</b>                                | <b>5.0</b> | <b>-</b>  | <b>-</b>          | <b>50.2</b> |

7. Deferred tax assets (Net)

|  | As at April 01, 2021 | (Charge) / credit to<br>Statement of Profit<br>and Loss | (Charge) / credit to<br>Other comprehensive<br>income | As at March 31, 2022 |
|--|----------------------|---|---|----------------------|
| Property, plant and equipment and intangible assets                  | (8.8)                | (0.1)   | -   | (8.8)                |
| Derivatives  | -                    | 0.4   | -   | (0.4)                |
| <b>Total deferred tax liabilities</b>                                | <b>(8.8)</b>         | <b>0.3</b>  | <b>-</b>  | <b>(9.2)</b>         |
| <b>Set-off of deferred tax assets pursuant to set-off provisions</b> |                      |   |   |                      |
| Allowance for doubtful debts - trade receivables                     | 18.4                 | (2.0)   | -   | 20.4                 |
| Finance lease assets (net of finance lease obligation)               | 1.0                  | (0.3)   | -   | 1.3                  |
| Security deposits  | 0.7                  | 0.7   | -   | 0.0                  |
| Employee benefit obligations   | 72.9                 | 2.2   | 5.3   | 65.5                 |
| Brought forward losses   | -                    | (44.9)  | -   | 44.9                 |
| <b>Total deferred tax assets</b>                                     | <b>93.0</b>          | <b>(44.3)</b>   | <b>5.3</b>  | <b>132.1</b>         |
|  |                      | -   |   |                      |
| <b>Net deferred tax assets</b>                                       | <b>84.2</b>          | <b>(44.0)</b>   | <b>5.3</b>  | <b>122.9</b>         |
| <br>   |                      |   |   |                      |
|  | As at April 01, 2020 | (Charge) / credit to<br>Statement of Profit<br>and Loss | (Charge) / credit to<br>Other comprehensive<br>income | As at March 31, 2021 |
| Property, plant and equipment and intangible assets                  | (8.2)                | 0.6   | -   | (8.8)                |
| <b>Total deferred tax liabilities</b>                                | <b>(8.2)</b>         | <b>0.6</b>  | <b>-</b>  | <b>(8.8)</b>         |
| <b>Set-off of deferred tax assets pursuant to set-off provisions</b> |                      |   |   |                      |
| Allowance for doubtful debts - trade receivables                     | 13.1                 | (5.3)   | -   | 18.4                 |
| Finance lease assets (net of finance lease obligation)               | 0.5                  | (0.5)   | -   | 1.0                  |
| Security deposits  | 0.7                  | (0.0)   | -   | 0.7                  |
| Employee benefit provisions  | 63.2                 | (7.8)   | (1.9)   | 72.9                 |
| <b>Total deferred tax assets</b>                                     | <b>77.5</b>          | <b>(13.6)</b>   | <b>(1.9)</b>  | <b>93.0</b>          |
|  |                      |   |   |                      |
| <b>Net deferred tax assets</b>                                       | <b>69.3</b>          | <b>(13.0)</b>   | <b>(1.9)</b>  | <b>84.2</b>          |

**Note:**

- Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
- In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets.

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|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>8. Non-current tax Assets (Net)</b>                       |                         |                         |
| Opening balance  | 114.5                   | 159.7                   |
| Less: Current tax payable for the year                       | -                       | 50.5                    |
| Less: Adjustment of current tax relating to earlier periods* | -                       | 12.1                    |
| Add: Advance tax paid / Tax deducted at source**             | 106.5                   | 17.4                    |
| <b>Total</b>   | <b>221.0</b>            | <b>114.5</b>            |

\* March 31, 2021 balance Including amount INR 7.19 million deposit under Direct Tax Vivaad se Vishwas Act, 2020 for AY 2006-07.

\*\* Includes INR 12 million interest on income tax refund, which is withheld by income tax department on account of stay of demand for assessment year 2016-17.

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>9. Other non-current assets</b><br>(Unsecured, considered good, unless otherwise stated) |                         |                         |
| Prepaid expenses  | 88.6                    | 56.4                    |
| <b>Total</b>  | <b>88.6</b>             | <b>56.4</b>             |

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>10. Inventories</b>  |                         |                         |
| Stock-in-trade (in respect of goods acquired for trading) (at lower of cost and net realisable value) | 15.0                    | 0.8                     |
| <b>Total</b>  | <b>15.0</b>             | <b>0.8</b>              |

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>11. Trade receivables</b>             |                         |                         |
| Considered good - Unsecured              |                         |                         |
| - Related Parties (refer note 35)        | 671.0                   | 515.1                   |
| - Others                                 | 243.4                   | 95.3                    |
| Trade Receivables – Credit impaired      | 81.0                    | 73.1                    |
| <b>Sub-Total</b>                         | <b>995.4</b>            | <b>683.5</b>            |
| Less: Allowance for bad & doubtful debts | (81.0)                  | (73.1)                  |
| <b>Total Trade Receivables</b>           | <b>914.4</b>            | <b>610.4</b>            |

The receivables are also due from private companies respectively in which any director is a partner, a director or a member amounting INR 14.08 million (March 31, 2021: INR 38.6 million). Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on past provision. Past provision takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due.

(a) Trade Receivables ageing schedule

| As at March 31, 2022   |                     |  |                   |             |            |                   |              |  |  |
|--|---------------------|--|-------------------|-------------|------------|-------------------|--------------|--|--|
| Particulars  | Current but not due | Outstanding for following periods from due date of payment |                   |             |            |                   | Total        |  |  |
|  |                     | Less than 6 months   | 6 months - 1 year | 1-2 years   | 2-3 years  | More than 3 years |              |  |  |
| (i) Undisputed Trade receivables – considered good                                 | 559.5               | 344.5  | 8.8               | 0.0         | 0.1        | 1.4               | 914.4        |  |  |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                   | -  | -                 | -           | -          | -                 | -            |  |  |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                   | 0.8  | 12.3              | 28.1        | 5.2        | 25.0              | 71.6         |  |  |
| (iv) Disputed Trade Receivables– considered good                                   | -                   | -  | -                 | -           | -          | -                 | -            |  |  |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                   | -  | -                 | -           | -          | -                 | -            |  |  |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                   | -  | -                 | -           | -          | 9.4               | 9.4          |  |  |
| <b>Total</b>   | <b>559.5</b>        | <b>345.4</b>   | <b>21.1</b>       | <b>28.2</b> | <b>5.3</b> | <b>35.9</b>       | <b>995.4</b> |  |  |

| As at March 31, 2021   |                     |  |                   |            |            |                   |              |  |  |
|--|---------------------|--|-------------------|------------|------------|-------------------|--------------|--|--|
| Particulars  | Current but not due | Outstanding for following periods from due date of payment |                   |            |            |                   | Total        |  |  |
|  |                     | Less than 6 months   | 6 months - 1 year | 1-2 years  | 2-3 years  | More than 3 years |              |  |  |
| (i) Undisputed Trade receivables – considered good                                 | 411.5               | 197.2  | 0.1               | 0.0        | -          | 1.6               | 610.4        |  |  |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                   | -  | -                 | -          | -          | -                 | -            |  |  |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                   | 0.1  | 31.5              | 6.3        | 4.0        | 27.8              | 69.7         |  |  |
| (iv) Disputed Trade Receivables– considered good                                   | -                   | -  | -                 | -          | -          | -                 | -            |  |  |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                   | -  | -                 | -          | -          | -                 | -            |  |  |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                   | -  | -                 | -          | -          | 3.4               | 3.4          |  |  |
| <b>Total</b>   | <b>411.5</b>        | <b>197.3</b>   | <b>31.6</b>       | <b>6.3</b> | <b>4.0</b> | <b>32.8</b>       | <b>683.5</b> |  |  |

(b) Movement in the allowance for expected credit losses

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>At the beginning of the year</b>                  | 73.1                    | 52.0                    |
| Provision for expected credit losses (refer note 29) |                         |                         |
| Addition during the year                             | 7.9                     | 24.9                    |
| Deletion during the year                             | -                       | (3.8)                   |
| <b>At the end of the year</b>                        | <b>81.0</b>             | <b>73.1</b>             |

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

|                       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------|-------------------------|-------------------------|
| Balances with banks:  | -                       |                         |
| - in current accounts | 7.6                     | 37.6                    |
| Cash on hand          | 0.1                     | 0.1                     |
| <b>Total</b>          | <b>7.7</b>              | <b>37.7</b>             |

\* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting year and previous year.  
For assets pledged, refer note 37.

**Changes in liabilities arising from financing activities**

| Particulars  | March 31, 2021 | Cash flows   | New leases | Other       | March 31, 2022 |
|--|----------------|--------------|------------|-------------|----------------|
| Current borrowings                                 | 277.3          | 557.1        | -          | -           | 834.3          |
| Current lease liabilities (note 39)                | 77.6           | (74.3)       | -          | 74.6        | 77.9           |
| Non-current borrowings                             | 299.4          | 175.9        | -          | -           | 475.3          |
| Non-current lease liabilities (note 39)            | 174.7          | (19.6)       | -          | (34.1)      | 121.0          |
| <b>Total liabilities from financing activities</b> | <b>828.9</b>   | <b>639.1</b> | <b>-</b>   | <b>40.5</b> | <b>1,508.5</b> |

| Particulars  | March 31, 2020 | Cash flows   | New leases | Other       | March 31, 2021 |
|--|----------------|--------------|------------|-------------|----------------|
| Current borrowings                                 | 252.1          | 25.2         | -          | -           | 277.3          |
| Current lease liabilities (note 39)                | 74.4           | (74.3)       | -          | 77.4        | 77.6           |
| Non-current borrowings                             | 235.0          | 64.4         | -          | -           | 299.4          |
| Non-current lease liabilities (note 39)            | 241.2          | (19.9)       | -          | (46.7)      | 174.7          |
| <b>Total liabilities from financing activities</b> | <b>802.7</b>   | <b>(4.6)</b> | <b>-</b>   | <b>30.8</b> | <b>828.9</b>   |

**12.(b) Other bank balances**

|                         | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| Unpaid dividend account | 0.3                     | 0.4                     |
| <b>Total</b>            | <b>0.3</b>              | <b>0.4</b>              |

13.(a) Non-Current Loans

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Loan to related parties</b>                              |                         |                         |
| Loans to Subsidiaries (refer note 35)                       |                         |                         |
| Loan receivables - Considered good, Secured                 | -                       | -                       |
| Loan receivables - Considered good, unsecured*              | 125.4                   | 119.5                   |
| Receivables which have significant increase in credit Risk; | -                       | -                       |
| Loan Receivables - credit impaired                          | -                       | -                       |
|   | <b>125.4</b>            | <b>119.5</b>            |
| Less: Loss allowance  | -                       | -                       |
| <b>Total</b>  | <b>125.4</b>            | <b>119.5</b>            |

13.(b) Current Loans

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Loan to related parties</b>                              |                         |                         |
| Loans to Subsidiaries                                       |                         |                         |
| Loan receivables - Considered good, Secured                 | -                       | -                       |
| Loan receivables - Considered good, unsecured               | -                       | -                       |
| Receivables which have significant increase in credit Risk; | -                       | -                       |
| Loan Receivables - credit impaired*                         | 165.6                   | -                       |
|   | <b>165.6</b>            | -                       |
| Less: Loss allowance  | (165.6)                 | -                       |
| <b>Total</b>  | <b>-</b>                | <b>-</b>                |

\* During the year, the company has granted intercorporate deposit (ICD) amounting to INR 171.5 million. (March 31, 2021: 62.5 million)  
 The Company has no loan which are repayable on demand or are without specifying any term or period of repayment.

Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013

| Name of the loanee                              | Rate of Interest | Due date   | Secured/<br>unsecured | 31-Mar-22    | 31-Mar-21    |
|---|------------------|------------|-----------------------|--------------|--------------|
| Samvardhana Motherson Health Solution           | 10.0%            | 31/03/2023 | unsecured             | 165.6        | 109.6        |
| Motherson Infotek Designs Mid East FZ-LLC, UAE  | 1.6%             | 31/03/2024 | unsecured             | 65.7         | 9.9          |
| Motherson Information Technologies Spain S.L.U. | 1.8%             | 31/03/2024 | unsecured             | 8.7          | -            |
| Motherson Infotech and Solutions UK Limited     | 4.1%             | 31/03/2024 | unsecured             | 51.0         | -            |
| <b>Total</b>                                    |                  |            |                       | <b>291.0</b> | <b>119.5</b> |

14. Other current assets

(Unsecured, considered good, unless otherwise stated)

|                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Advances recoverable                 |                         |                         |
| Related parties (refer note 35)      | 2.5                     | 6.1                     |
| Others                               | 32.3                    | 14.1                    |
| Prepaid expenses                     | 164.7                   | 110.2                   |
| Balances with government authorities | 22.0                    | 15.7                    |
| <b>Total</b>                         | <b>221.5</b>            | <b>146.2</b>            |

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15. Share Capital

Authorised:

54,000,000 (March 31, 2021: 16,000,000) Equity shares of Rs.10/- each  
8,000,000 (March 31, 2021: 8,000,000) Preference Shares of Rs.10/- each

Issued, Subscribed and Paid up:

12,973,453 (March 31, 2021: 12,973,453) Equity shares of Rs.10/- each

Total

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| 54,000,000 (March 31, 2021: 16,000,000) Equity shares of Rs.10/- each   | 540.0                   | 160.0                   |
| 8,000,000 (March 31, 2021: 8,000,000) Preference Shares of Rs.10/- each | 80.0                    | 80.0                    |
| Issued, Subscribed and Paid up:   |                         |                         |
| 12,973,453 (March 31, 2021: 12,973,453) Equity shares of Rs.10/- each   | 129.7                   | 129.7                   |
| <b>Total</b>  | <b>129.7</b>            | <b>129.7</b>            |

a. Movement in equity share capital

As at April 1, 2020

Issued during the year

As at March 31, 2021

Issued during the year

As at March 31, 2022

|                        | Numbers     | Amount |
|------------------------|-------------|--------|
| As at April 1, 2020    | 1,29,73,453 | 129.7  |
| Issued during the year | -           | -      |
| As at March 31, 2021   | 1,29,73,453 | 129.7  |
| Issued during the year | -           | -      |
| As at March 31, 2022   | 1,29,73,453 | 129.7  |

b. Rights, preferences and restrictions attached to equity shares

The company currently has only one class of equity shares having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend, if proposed by the board of directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. 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.

Equity shares of Rs. 10 each fully paid up:

Samvardhana Motherthon International Limited, India  
Motherthon Sumi Systems Limited, India  
Sumitomo Wiring Systems Limited, Japan  
H.K. Wiring Systems Limited, Hong Kong

|   | As at<br>March 31, 2022 |       | As at<br>March 31, 2021 |       |
|---|-------------------------|-------|-------------------------|-------|
|   | Nos.                    | %     | Nos.                    | %     |
| Samvardhana Motherthon International Limited, India | -                       | -     | 69,63,019               | 53.7% |
| Motherthon Sumi Systems Limited, India              | 81,63,019               | 62.9% | 12,00,000               | 9.2%  |
| Sumitomo Wiring Systems Limited, Japan              | 26,39,535               | 20.4% | 26,39,535               | 20.4% |
| H.K. Wiring Systems Limited, Hong Kong              | 11,96,005               | 9.2%  | 11,96,005               | 9.2%  |

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.

The Company is a subsidiary of Motherthon Sumi System Limited. Pursuant to a composite scheme of amalgamation and arrangement amongst Motherthon Sumi Systems Limited ("MSSL"), Samvardhana Motherthon International Limited ("SAMIL"), Motherthon 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.

d. Details of shares held by the promoters

As at March 31, 2022

| S.No. | Promoter Name                                | No. of shares at the beginning of the year | Change during the year | No. of the shares at the year end | % of total shares | % change during the year |
|-------|--|--|------------------------|-----------------------------------|-------------------|--------------------------|
| 1     | Motherthon Sumi Systems Limited              | 12,00,000                                  | 69,63,019              | 81,63,019                         | 62.9%             | 580.3%                   |
| 2     | Vivek Chaand Sehgal                          | 1,30,021                                   | -                      | 1,30,021                          | 1.0%              | 0.0%                     |
| 3     | Laksh Vaaman Sehgal                          | 1,00,021                                   | -                      | 1,00,021                          | 0.8%              | 0.0%                     |
| 4     | Geeta Soni                                   | 71,453                                     | -                      | 71,453                            | 0.6%              | 0.0%                     |
| 5     | Sumitomo Wiring systems Limited Japan        | 26,39,535                                  | -                      | 26,39,535                         | 20.3%             | 0.0%                     |
| 6     | HK Wiring Systems Limited                    | 11,96,005                                  | -                      | 11,96,005                         | 9.2%              | 0.0%                     |
| 7     | Radha Rani Holdings Pte. Ltd.                | 5,37,495                                   | -                      | 5,37,495                          | 4.1%              | 0.0%                     |
| 8     | Systematic Conscom Limited                   | 100  | -                      | 100                               | 0.0%              | 0.0%                     |
| 9     | Samvardhana Motherthon International Limited | 69,63,019                                  | (69,63,019)            | -                                 | 0.0%              | -100.0%                  |

Total

|                    |   |                    |              |               |
|--------------------|---|--------------------|--------------|---------------|
| <u>1,28,37,649</u> | - | <u>1,28,37,649</u> | <u>99.0%</u> | <u>480.3%</u> |
|--------------------|---|--------------------|--------------|---------------|

As at March 31, 2021

| S.No.        | Promoter Name                               | No. of shares at the beginning of the year | Change during the year | No. of the shares at the year end | % of total shares | % change during the year |
|--------------|---|--|------------------------|-----------------------------------|-------------------|--------------------------|
| 1            | Samvardhana Motherson International Limited | 69,63,019                                  | -                      | 69,63,019                         | 53.7%             | 0.00%                    |
| 2            | Motherson Sumi Systems Limited              | 12,00,000                                  | -                      | 12,00,000                         | 9.2%              | 0.0%                     |
| 3            | Vivek Chaand Sehgal                         | 1,30,021                                   | -                      | 1,30,021                          | 1.0%              | 0.0%                     |
| 4            | Laksh Vaaman Sehgal                         | 1,00,021                                   | -                      | 1,00,021                          | 0.8%              | 0.0%                     |
| 5            | Geeta Soni                                  | 71,453                                     | -                      | 71,453                            | 0.6%              | 0.0%                     |
| 6            | Sumitomo Wiring systems Limited Japan       | 26,39,535                                  | -                      | 26,39,535                         | 20.3%             | 0.0%                     |
| 7            | HK Wiring Systems Limited                   | 11,96,005                                  | -                      | 11,96,005                         | 9.2%              | 0.0%                     |
| 8            | Radha Rani Holdings Pte. Ltd.               | 5,37,495                                   | -                      | 5,37,495                          | 4.1%              | 0.0%                     |
| 9            | Systematic Conscom Limited                  | 100  | -                      | 100                               | 0.0%              | 0.0%                     |
| <b>Total</b> |   | <b>1,28,37,649</b>                         | <b>-</b>               | <b>1,28,37,649</b>                | <b>99.0%</b>      | <b>-</b>                 |

16. Other Equity

**Reserves and surplus**  
 Reserve on amalgamation  
 Securities premium  
 Capital redemption reserve  
 Retained earnings  
**Total reserves and surplus**

| As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|
| 0.1                     | 0.1                     |
| 21.5                    | 21.5                    |
| 80.0                    | 80.0                    |
| 197.9                   | 564.1                   |
| <b>299.5</b>            | <b>665.7</b>            |

**(i) Reserve on amalgamation**

Opening balance  
**Closing balance**

| As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|
| 0.1                     | 0.1                     |
| <b>0.1</b>              | <b>0.1</b>              |

**(ii) Securities premium**

Opening balance  
**Closing balance**

| As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|
| 21.5                    | 21.5                    |
| <b>21.5</b>             | <b>21.5</b>             |

**(iii) Capital redemption reserve**

Opening balance  
**Closing balance**

| As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|
| 80.0                    | 80.0                    |
| <b>80.0</b>             | <b>80.0</b>             |

**(iv) Retained earnings**

Opening balance  
 Profit/ (loss) for the year  
 Remeasurements of post-employment benefit obligation, net of tax  
**Closing balance**

| As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------|-------------------------|
| 564.1                   | 487.6                   |
| (381.8)                 | 82.2                    |
| 15.6                    | (5.7)                   |
| <b>197.9</b>            | <b>564.1</b>            |

**Nature and purpose of reserves:**

**Reserve on amalgamation**

This reserve was created at the time of amalgamation and mergers carried out in earlier years. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

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

**Capital redemption reserve**

Capital Redemption Reserve is created at the time of redemption of preference share to either replenish the capital by issuing fresh shares in lieu of the redeemed or bought back shares or to transfer their funds to an account

17 Borrowings

17.(a) Non current borrowings

|  | Non Current Portion     |                         | Current Maturities      |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| <b>At amortised cost</b>                                     |                         |                         |                         |                         |
| <b>Secured</b>   |                         |                         |                         |                         |
| Term Loans (refer note (i) below)                            |                         |                         |                         |                         |
| Indian rupee loan from banks                                 | 160.3                   | 134.4                   | 161.5                   | 161.5                   |
| <b>Unsecured</b>   |                         |                         |                         |                         |
| Loan from related parties (refer note (ii) below)            | 315.0                   | 165.0                   | -                       | -                       |
| Less : Disclosed under current borrowings (refer note 17(b)) | -                       | -                       | (161.5)                 | (161.5)                 |
| <b>Total non current borrowings</b>                          | <b>475.3</b>            | <b>299.4</b>            | <b>-</b>                | <b>-</b>                |

(i) Nature of Security and terms of repayment for secured borrowings:

| Nature of Security  | Principal Terms and Conditions (including interest rates)  |
|---|--|
| Indian rupee loan from HDFC bank amounting to INR 49.4 million (March 31, 2021: INR 70.0 million) (sanctioned limit - INR 100.0 million) which is secured by first charge hypothecation of movable fixed assets of the Company with asset cover 1.25x (March 31, 2021: 1.25x)   | Repayable in 5 years with 20 quarterly repayments commencing from October 2019 carrying interest rate at 3 months Marginal Cost of Funds based Lending Rate (MCLR).            |
| Indian rupee loan from Axis bank for IT Capital Expenditures amounting to INR 41.6 million (March 31, 2021: 41.5)(sanctioned limit - INR 200.0 million) which is secured by first pari-passu charge of Land and Building situated at C-26, Sector 62, Noida and movable fixed assets of the Company with asset cover 1.25x.(March 31, 2021: first pari-passu charge of Land and Building situated at C-26, Sector 62, Noida and movable fixed assets of the Company with asset cover 1.25x) | Repayable in 3 years including moratorium period of 9 months with 10 quarterly repayments carrying interest rate at 6 months Marginal Cost of Funds based Lending Rate (MCLR). |
| Indian rupee loan from Axis bank for Capital asset amounting to INR 148.8 million (March 31, 2021: 184.5)(sanctioned limit - INR 250.0 million) which is secured by first pari-passu charge of Land and Building situated at C-26, Sector 62, Noida and movable fixed assets of the Company with asset cover 1.25x.(March 31, 2021: first pari-passu charge of Land and Building situated at C-26, Sector 62, Noida and movable fixed assets of the Company with asset cover 1.25x)         | Repayable in 3 years including moratorium period of 9 months with 10 quarterly repayments carrying interest rate at 6 months Marginal Cost of Funds based Lending Rate (MCLR). |
| Indian rupee loan from ICICI bank for capital expenditures amounting to INR 82.0 million (March 31, 2021: Nil)(sanctioned limit - INR 450.0 million) which is secured by first pari passu charge of movable fixed assets of the Company with asset cover 1.25x.   | Repayable in 6 years including moratorium period of 6 quarters with 18 quarterly repayments carrying interest rate at 1 year Marginal Cost of Funds based Lending Rate (MCLR). |

(ii) Nature of borrowing and terms of repayment for unsecured borrowings:

| Particulars  | Principal Terms and Conditions  |
|--|---|
| <b>Borrowings</b>  |   |
| Loan taken by Company by way of Inter corporate deposit (ICD) of INR 315.0 million for 3 years in various tranches , from Mothersonumi Systems Ltd. (March 31, 2021: INR 165 million)                                      | Repayable in 3 years commencing from draw down date, carrying interest rate at 11% per annum. |
| The Company has taken borrowings from banks on the basis of security of current assets; quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of accounts. |   |

17.(b) Current borrowings

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Secured</b>  |                         |                         |
| Working capital loans repayable on demand- from banks (refer note (i) below)  |                         |                         |
| Indian rupee loan   | 491.9                   | 17.9                    |
| <b>Unsecured</b>  |                         |                         |
| Working capital loans repayable on demand- from banks (refer note (ii) below) |                         |                         |
| Indian rupee loan   | 40.9                    | 97.9                    |
| Loan from related parties (refer note (ii) below)                             | 140.0                   | -                       |
| <b>Current maturities of non current borrowings</b>                           |                         |                         |
| Term loan - secured   | 161.5                   | 161.5                   |
| <b>Total current borrowings</b>   | <b>834.3</b>            | <b>277.3</b>            |

(i) Secured loans

| Nature of Security  | Rate of Interest   |
|---|--|
| Credit facilities from State Bank of India, by way of Fund based working capital, LC/Buyers credit, BG, Forward contract limit, stand by limit against first exclusive charge by way of hypothecation of entire current assets of the Company, both present and future. | The rate of interest is Marginal Cost of Funds based Lending Rate (MCLR) plus 0.85% per annum    |
| Credit facilities from HDFC bank, by way of Fund based working capital, LC/Buyers credit, BG, Forward contract limit, stand by limit against hypothecation of entire current assets of the Company, both present and future.  | The rate of interest 8% p.a. linked to 3 month Marginal Cost of Funds based Lending Rate (MCLR). |
| Credit facilities from Axis bank, by way of Fund based working capital, LC/Buyers credit, BG, Forward contract limit, stand by limit against first pari passu security interest on the entire movable fixed assets and current assets, both present and future.         | The rate of interest 8% p.a. linked to 3 month Marginal Cost of Funds based Lending Rate (MCLR). |

(ii) Unsecured loans

| Particulars  | Rate of Interest  |
|--|---|
| Credit facilities from ICICI Bank Limited, by way of Fund based Overdraft, Line of Credit and Non Fund based BG and Letter of Credit.  | The rate of interest at Marginal Cost of Funds based Lending Rate (MCLR) 6 months plus 0.25% Spread |
| Loan taken by Company by way of Inter corporate deposit (ICD) of INR 140.0 million for 1 year during the year, from Motherson Techno Tools Ltd. (March 31, 2021: Nil)  | Repayable in 1 year commencing from draw down date, carrying interest rate at 7.5% per annum.       |
| The Company has taken borrowings from banks on the basis of security of current assets; quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of accounts. |   |

|                              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Aggregate of secured loans   | 813.7                   | 313.8                   |
| Aggregate of unsecured loans | 355.9                   | 262.9                   |

18. Employee benefit obligations

|                      | As at          |              | As at          |              |
|----------------------|----------------|--------------|----------------|--------------|
|                      | March 31, 2022 |              | March 31, 2021 |              |
|                      | Current        | Non-current  | Current        | Non-current  |
| Gratuity             | 3.4            | 173.0        | 9.4            | 186.7        |
| Compensated absences | 18.1           | 79.0         | 19.4           | 78.0         |
| <b>Total</b>         | <b>21.5</b>    | <b>252.0</b> | <b>28.8</b>    | <b>264.7</b> |

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 SBI Life Insurance Co. Limited 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 Company pays contribution to SBI Life Insurance Co. Limited to fund its 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

Obligations at year beginning

Service Cost - Current

Interest expense

Amount recognised in profit or loss

Remeasurements

Actuarial (gain) / loss from change in demographic assumption \*

Actuarial (gain) / loss from change in financial assumption

Experience (gains)/losses

Amount recognised in other comprehensive income

Payment from plan:

Benefit payments

Acquisition adjustments

Addition due to transfer of employee

Obligations at year end

|   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2022     | March 31, 2021 |
| Obligations at year beginning                                   | 211.3              | 192.5          |
| Service Cost - Current  | 25.4               | 24.5           |
| Interest expense  | 14.3               | 13.0           |
| Amount recognised in profit or loss                             | <b>39.8</b>        | <b>37.5</b>    |
| Remeasurements  |                    |                |
| Actuarial (gain) / loss from change in demographic assumption * | -                  | -              |
| Actuarial (gain) / loss from change in financial assumption     | (10.6)             | (0.7)          |
| Experience (gains)/losses                                       | (10.2)             | 8.0            |
| Amount recognised in other comprehensive income                 | <b>(20.8)</b>      | <b>7.3</b>     |
| Payment from plan:  |                    |                |
| Benefit payments  | (36.5)             | (27.5)         |
| Acquisition adjustments   | -                  | (1.1)          |
| Addition due to transfer of employee                            | 0.4                | 2.5            |
| Obligations at year end   | <b>194.2</b>       | <b>211.2</b>   |

(ii) Fair Value of Plan Assets

Plan assets at year beginning

Interest income

Amount recognised in profit or loss

Remeasurements

Return on plan assets, excluding amount included in interest income

Amount recognised in other comprehensive income

Payment from plan:

Benefit payments

Contributions:

Employers

Plan assets at year end, at fair value

|   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2022     | March 31, 2021 |
| Plan assets at year beginning                                       | 15.2               | 21.5           |
| Interest income   | 1.0                | 1.5            |
| Amount recognised in profit or loss                                 | <b>1.0</b>         | <b>1.5</b>     |
| Remeasurements  |                    |                |
| Return on plan assets, excluding amount included in interest income | 0.0                | (0.3)          |
| Amount recognised in other comprehensive income                     | <b>0.0</b>         | <b>(0.3)</b>   |
| Payment from plan:  |                    |                |
| Benefit payments  | (3.5)              | (22.5)         |
| Contributions:  |                    |                |
| Employers   | 5.0                | 15.0           |
| Plan assets at year end, at fair value                              | <b>17.8</b>        | <b>15.2</b>    |

(iii) Assets and Liabilities recognized in the Balance Sheet

Present Value of the defined benefit obligations

Fair value of the plan assets

Amount recognized as Liability

|  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2022     | March 31, 2021 |
| Present Value of the defined benefit obligations | 194.2              | 211.2          |
| Fair value of the plan assets                    | 17.8               | 15.2           |
| Amount recognized as Liability                   | <b>176.4</b>       | <b>196.1</b>   |

(iv) Defined benefit obligations cost for the year:

Service Cost - Current

Interest Cost

Actuarial (gain) / loss

Net defined benefit obligations cost

|                                      | For the year ended |                |
|--------------------------------------|--------------------|----------------|
|                                      | March 31, 2022     | March 31, 2021 |
| Service Cost - Current               | 25.4               | 24.5           |
| Interest Cost                        | 13.3               | 11.6           |
| Actuarial (gain) / loss              | (20.8)             | 7.3            |
| Net defined benefit obligations cost | <b>17.9</b>        | <b>43.4</b>    |

\* Amount is below the rounding off norm adopted by the Company

(v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

|                                | For the year ended |                |
|--------------------------------|--------------------|----------------|
|                                | March 31, 2022     | March 31, 2021 |
| SBI Life insurance Co. Limited | 100%               | 100%           |
| <b>Total</b>                   | <b>100%</b>        | <b>100%</b>    |

**Note:** In respect of Employees Gratuity Fund, composition of plan assets is not readily available from SBI Life Insurance Co. Limited. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial assumptions:

|                         | March 31, 2022               | March 31, 2021               |
|-------------------------|------------------------------|------------------------------|
| Discount Rate per annum | 7.26%                        | 6.8%                         |
| Future salary increases | 6.5%                         | 6.5%                         |
| Retirement Age (years)  | 58                           | 58                           |
| Mortality rate          | 100 % of IALM<br>(2012 - 14) | 100 % of IALM<br>(2012 - 14) |
| Attrition rate          |                              |                              |
| Up to 30 Years          | 3.0%                         | 3.0%                         |
| From 31 to 44 years     | 2.0%                         | 2.0%                         |
| Above 44 years          | 1.0%                         | 1.0%                         |

**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.

(vii) Expected Contribution to the Fund in the next year

|          | For the year ended |                |
|----------|--------------------|----------------|
|          | March 31, 2022     | March 31, 2021 |
| Gratuity | 48.5               | 42.8           |

(viii) 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 | (10.9)                 | (11.8)         | Increase by | 11.8                   | 12.8           |
| Future salary increases | 0.50%                | 0.50%          | Increase by | 11.8                   | 12.8           | Decrease by | (11.0)                 | (11.9)         |

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.

ix) 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.

x) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 19.56 years (March 31, 2021: 19.09 years)

Expected benefit payments are as follows:

|                                       | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---------------------------------------|------------------|-------------------|-------------------|--------------|-------|
| <b>March 31, 2022</b>                 |                  |                   |                   |              |       |
| Defined benefit obligation (gratuity) | 3.4              | 4.1               | 20.5              | 166.2        | 194.2 |
| <b>March 31, 2021</b>                 |                  |                   |                   |              |       |
| Defined benefit obligation (gratuity) | 9.4              | 3.6               | 26.9              | 171.4        | 211.3 |

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 and Employee State Insurance (ESI) for the benefit of the employees.

Amount recognised in the Statement of Profit & Loss is as follows (refer note 26):

|  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2022     | March 31, 2021 |
| Provident fund paid to the authorities           | 84.9               | 70.7           |
| NPS contribution                                 | 5.9                | 7.5            |
| Employee state insurance paid to the authorities | 0.3                | 0.4            |

|                              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| <b>19. Other liabilities</b> |                         |                         |
| <b>Non-current</b>           |                         |                         |
| Deferred revenue             | 30.0                    | 36.6                    |
|                              | <b>30.0</b>             | <b>36.6</b>             |
| <b>Current</b>               |                         |                         |
| Statutory dues               | 77.8                    | 49.1                    |
| Advances from customers      | 4.0                     | 7.2                     |
| Deferred revenue             | 144.9                   | 86.7                    |
| <b>Total</b>                 | <b>226.8</b>            | <b>143.0</b>            |

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>20. Trade payables</b>  |                         |                         |
| Total outstanding dues of micro and small enterprises (refer note 41)      |                         |                         |
| - Related Parties  | 1.9                     | 0.1                     |
| - Others   | 19.4                    | 33.5                    |
| Total outstanding dues of creditors other than micro and small enterprises |                         |                         |
| - Related Parties (refer note 35)  | 3.6                     | 2.1                     |
| - Others   | 367.6                   | 176.1                   |
| <b>Total</b>   | <b>392.6</b>            | <b>211.8</b>            |

**Trade payables ageing schedule**

As at March 31, 2022

| Particulars   | Current but<br>not due | Outstanding for following periods from due date of payment |            |            |                   | Total        |
|---|------------------------|--|------------|------------|-------------------|--------------|
|   |                        | Less than 1 year   | 1-2 years  | 2-3 years  | More than 3 years |              |
| Total outstanding dues of micro and small enterprises             | 19.8                   | 1.5  | 0.0        | -          | -                 | 21.3         |
| Total outstanding dues of creditors other than micro and small    | 334.8                  | 35.6   | 0.0        | 0.8        | -                 | 371.2        |
| Disputed dues to micro and small enterprises                      | -                      | -  | -          | -          | -                 | -            |
| Disputed dues to creditors other than micro and small enterprises | -                      | -  | -          | -          | -                 | -            |
|   | <b>354.6</b>           | <b>37.1</b>  | <b>0.0</b> | <b>0.8</b> | <b>-</b>          | <b>392.6</b> |

As at March 31, 2021

| Particulars   | Current but<br>not due | Outstanding for following periods from due date of payment |            |            |                   | Total        |
|---|------------------------|--|------------|------------|-------------------|--------------|
|   |                        | Less than 1 year   | 1-2 years  | 2-3 years  | More than 3 years |              |
| Total outstanding dues of micro and small enterprises             | 1.3                    | 32.2   | -          | -          | -                 | 33.5         |
| Total outstanding dues of creditors other than micro and small    | 155.4                  | 22.0   | 0.9        | -          | -                 | 178.2        |
| Disputed dues to micro and small enterprises                      | -                      | -  | -          | -          | -                 | -            |
| Disputed dues to creditors other than micro and small enterprises | -                      | -  | -          | -          | -                 | -            |
|   | <b>156.7</b>           | <b>54.2</b>  | <b>0.9</b> | <b>0.0</b> | <b>0.0</b>        | <b>211.8</b> |

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>21. Other financial liabilities</b>                 |                         |                         |
| at amortised cost (unless otherwise stated)            |                         |                         |
| <b>Non-current</b>                                     |                         |                         |
| Interest accrued but not due on ICD                    | 60.8                    | 36.1                    |
|  | <b>60.8</b>             | <b>36.1</b>             |
| <b>Current</b>   |                         |                         |
| Unpaid dividends*                                      | 0.3                     | 0.4                     |
| Security deposit received                              |                         |                         |
| Related parties (refer note 35)                        | 41.9                    | 42.9                    |
| Others   | 0.4                     | 0.4                     |
| Creditors for capital goods                            |                         |                         |
| Related parties (refer note 35)                        | 10.2                    | 28.2                    |
| Others   | 2.9                     | 12.2                    |
| Advance recovery from employees against vehicle scheme | 27.8                    | 25.1                    |
| Others   | 2.6                     | -                       |
| <b>Total</b>   | <b>86.1</b>             | <b>109.1</b>            |

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

|                        | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| <b>22. Provisions</b>  |                         |                         |
| For re-work/warranties |                         |                         |
| <b>Total</b>           | <b>24.4</b>             | <b>24.3</b>             |

**Rework**

Provision for re-work relates to the estimated outflow in respect of re-work for services rendered by the Company.

The Company has following provisions in the books of account as at year end:

|                                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Opening balance</b>              | 24.3                    | 33.5                    |
| Additions during the year           | 0.1                     | -                       |
| Utilised / Reversed during the year | -                       | 9.2                     |
| <b>Closing balance</b>              | <b>24.4</b>             | <b>24.3</b>             |

| 23. Revenue from contracts with customers   |   | For the year ended    |                       |
|---|---|-----------------------|-----------------------|
|   |   | March 31, 2022        | March 31, 2021        |
| 23.(a)  | <b>Sale of services</b>   |                       |                       |
|   | <b>Within India</b>   |                       |                       |
|   | Software development and support*   | 1,428.4               | 864.9                 |
|   | Business support  | 41.9                  | 43.3                  |
|   | <b>Outside India</b>  |                       |                       |
|   | Software development and support*   | 2,072.1               | 1,824.3               |
|   | Business support  | 62.7                  | 57.9                  |
|   | Designing   | 294.3                 | 270.2                 |
|   | <b>Sales of products</b>  |                       |                       |
|   | <b>Within India</b>   |                       |                       |
|   | Traded goods  | 314.0                 | 279.1                 |
| Others  | 31.5  | 7.4                   |                       |
| <b>Outside India</b>  |   |                       |                       |
| Traded goods  | 10.0  | 4.3                   |                       |
|   | <b>4,254.9</b>  | <b>3,351.4</b>        |                       |
| 23.(b)  | <b>Other operating revenue</b>  |                       |                       |
|   | Export incentive  | 14.5                  | 37.2                  |
|   | Provisions written back to the extent no longer required  | -                     | 13.0                  |
|   | <b>Total other operating revenue</b>  | <b>14.5</b>           | <b>50.2</b>           |
|   | <b>4,269.4</b>  | <b>3,401.6</b>        |                       |
| *include unbilled revenue of INR 36.77 million (March 31, 2021: INR 50.2 million) |   |                       |                       |
| a.  | <b>Disaggregated revenue information</b>  |                       |                       |
|   | <b>Revenue by major product lines</b>   |                       |                       |
|   | Software development and support  | 3,502.7               | 2,689.2               |
|   | Business support  | 104.6                 | 101.2                 |
|   | Designing   | 292.1                 | 270.2                 |
|   | Traded goods  | 324.0                 | 283.4                 |
|   | Others  | 31.5                  | 7.4                   |
|   | <b>Total revenue from contract with customers</b>   | <b>4,254.9</b>        | <b>3,351.4</b>        |
|   | <b>Revenue by Geography</b>   |                       |                       |
|   | Europe  | 1,677.8               | 1,442.6               |
|   | Americas  | 446.5                 | 380.2                 |
|   | Asia  | 2,078.8               | 1,475.8               |
|   | Others  | 51.9                  | 52.8                  |
|   | <b>Total revenue from contract with customers</b>   | <b>4,254.9</b>        | <b>3,351.4</b>        |
|   | <b>Timing of revenue recognition</b>  |                       |                       |
|   | Goods transferred at point in time  | 555.9                 | 537.9                 |
|   | Services transferred over time  | 3,699.0               | 2,813.5               |
|   | <b>Total revenue from contract with customers</b>   | <b>4,254.9</b>        | <b>3,351.4</b>        |
|   | <b>Revenue</b>  |                       |                       |
|   | External customers  | 962.4                 | 334.3                 |
|   | Group customers   | 3,292.5               | 3,017.1               |
|   | <b>Total revenue from contract with customers</b>   | <b>4,254.9</b>        | <b>3,351.4</b>        |
| b.  | <b>Contract balance</b>   |                       |                       |
|   |   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|   | Trade Receivables (Unconditional right to consideration)  | 914.4                 | 610.4                 |
|   | Contract assets (refer note (i) below)  | 87.0                  | 50.2                  |
|   | <b>Contract liabilities (refer note (ii) below) :</b>   |                       |                       |
|   | Advance from Customer (Note 19)   | 4.0                   | 7.2                   |
|   | Deferred revenue (Note 19)  | 174.9                 | 123.4                 |
|   | <b>Note:</b>  |                       |                       |
|   | (i) The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to the receivables when the rights become unconditional. |                       |                       |
|   | (ii) Contract liability relates to payments received in advance of performance (including deferred revenue) under the contract. Contract liabilities are recognised as revenue as (or when) we perform under the contract.              |                       |                       |
| c.  | <b>Performance obligations</b>  |                       |                       |
|   | The company makes provisions for expenses to be incurred to rectify any defects during warranty period on the basis of estimates worked out by the project managers.  |                       |                       |
|   |   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|   | Within one year   | 24.4                  | 24.3                  |
|   | More than one year  | -                     | -                     |
|   | <b>Total</b>  | <b>24.4</b>           | <b>24.3</b>           |
| d.  | <b>Contract Cost - Incremental costs of obtaining a contract</b>  |                       |                       |
|   | There is no increment cost in contract executed during the year.  |                       |                       |
| e.  | <b>Revenue from contracts with customers</b>  |                       |                       |
|   |   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|   | Amounts included in contract liabilities at the beginning of the year   | 86.7                  | 50.8                  |

**24. Other income**

|   |  |
|---|--|
| Foreign Exchange fluctuation (net)  |  |
| Interest income from financial assets at amortised cost                               |  |
| Bank deposits   |  |
| Security deposits   |  |
| Interest on Income tax refund   |  |
| Interest on Inter company deposits  |  |
| Net gain on disposal of property, plant and equipment                                 |  |
| Fair value gain on financial instrument at fair value through profit or loss (FVTPL)* |  |
| Miscellaneous income  |  |
| <b>Total</b>  |  |

\* relates to foreign exchange forward contracts (derivatives)

| For the year ended |                |
|--------------------|----------------|
| March 31, 2022     | March 31, 2021 |
| -                  | 2.40           |
| 0.0                | 0.0            |
| 5.4                | 5.9            |
| 12.0               | 12.3           |
| 15.6               | 8.9            |
| 2.0                | -              |
| 1.5                | -              |
| 5.0                | 3.6            |
| <b>41.4</b>        | <b>33.1</b>    |

**25. Changes in inventory of stock in trade**

**(Increase)/ decrease in stocks**

Stock at the opening of the year:

    Stock in trade

**Total A**

Stock at the end of the year:

    Stock in trade

**Total B**

**(Increase)/ decrease in stocks (A-B)**

| For the year ended |                |
|--------------------|----------------|
| March 31, 2022     | March 31, 2021 |
| 0.8                | 1.4            |
| <b>0.8</b>         | <b>1.4</b>     |
| 15.0               | 0.8            |
| <b>15.0</b>        | <b>0.8</b>     |
| <b>(14.2)</b>      | <b>0.6</b>     |

**26. Employee benefits expense**

|   |  |
|---|--|
| Salaries, wages and bonus               |  |
| Contribution to provident & other funds |  |
| Staff welfare expenses                  |  |
| <b>Total</b>                            |  |

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.

| For the year ended |                |
|--------------------|----------------|
| March 31, 2022     | March 31, 2021 |
| 2,085.1            | 1,566.0        |
| 129.9              | 114.6          |
| 27.6               | 10.0           |
| <b>2,242.7</b>     | <b>1,690.6</b> |

**27. Depreciation and amortization expense**

|   |  |
|---|--|
| Depreciation of property, plant and equipment       |  |
| Depreciation of right-of-use assets (refer note 39) |  |
| Amortization of intangible assets                   |  |
| <b>Total</b>  |  |

| For the year ended |                |
|--------------------|----------------|
| March 31, 2022     | March 31, 2021 |
| 98.6               | 82.2           |
| 22.2               | 24.9           |
| 39.0               | 50.7           |
| <b>159.8</b>       | <b>157.8</b>   |

**28. Finance Costs**

|  |  |
|--|--|
| Interest and finance charges on financial liabilities not at fair value through profit or loss |  |
| Term loan  |  |
| Working capital loan   |  |
| Lease liabilities (refer note 39)  |  |
| <b>Total</b>   |  |

| For the year ended |                |
|--------------------|----------------|
| March 31, 2022     | March 31, 2021 |
| 42.5               | 32.1           |
| 24.9               | 0.0            |
| 24.3               | 24.7           |
| <b>91.7</b>        | <b>56.9</b>    |

29. Other expenses

|  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2022     | March 31, 2021 |
| Software license and development charges   | 1,050.2            | 607.0          |
| Leaseline and web hosting charges  | 160.3              | 176.9          |
| Consultancy charges  | 53.3               | 31.4           |
| Annual maintenance contracts (hardware and software)                                 | 50.8               | 37.2           |
| Travelling and conveyance  | 52.1               | 16.6           |
| Power and fuel   | 33.9               | 32.8           |
| Lease rentals (refer note 39)  | 76.9               | 68.1           |
| Repairs and maintenance:   |                    |                |
| Plant & Machinery  | 0.7                | 0.8            |
| Building   | 55.8               | 36.2           |
| Others   | 6.5                | 8.4            |
| Business promotion   | 32.1               | 20.8           |
| Communication expenses   | 6.1                | 3.1            |
| Rates and taxes  | 12.3               | 3.8            |
| Insurance  | 3.0                | 3.2            |
| Recruitment expenses   | 26.6               | 2.5            |
| Training and seminar expenses  | 4.6                | 7.9            |
| Donation   | 0.4                | 0.4            |
| Intangible asset written off   | 25.5               | -              |
| Provision for impairment of investment   | 7.0                | -              |
| Provision for expected credit loss on loans receivables                              | 165.6              | -              |
| Bank charges   | 9.9                | 7.7            |
| Provision for doubtful debts   | 7.9                | 24.9           |
| Fair value loss on financial instrument at fair value through profit or loss (FVTPL) | 21.2               | 0.1            |
| Payment to auditor (refer note (a) below)  | 3.7                | 3.1            |
| Legal and professional fees  | 44.1               | 36.7           |
| Corporate social responsibility (CSR) expenditure (refer note (b) below)             | 3.5                | 3.9            |
| Foreign exchange fluctuation (net)   | 13.0               | -              |
| Miscellaneous expenses   | 9.6                | 1.5            |
| <b>Total</b>   | <b>1,936.6</b>     | <b>1,134.9</b> |

(a) Payment to auditors:

|                        | For the year ended |                |
|------------------------|--------------------|----------------|
|                        | March 31, 2022     | March 31, 2021 |
| <b>As Auditor:</b>     |                    |                |
| Statutory Audit fees   | 1.5                | 1.5            |
| Group reporting fees   | 0.8                | 0.9            |
| Tax audit fees         | 0.2                | 0.2            |
| Certification services | 1.3                | 0.6            |
| <b>Total</b>           | <b>3.7</b>         | <b>3.1</b>     |

(b) Corporate social responsibility expenditure

|   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2022     | March 31, 2021 |
| (i) Contribution to Swarn Lata Motherhood Trust   | -                  | 3.9            |
| a) Gross amount required to be spent by the Company during the year   | 3.5                | 3.9            |
| b) Amount spent during the year on:   |                    |                |
| (i) Construction/acquisition of asset   | -                  | -              |
| (ii) On purposes other than (i) above   | -                  | -              |
| c) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year   | 3.5                | -              |
| d) The total of previous years shortfall amounts  | -                  | -              |
| e) The reason for above shortfalls  | -                  | -              |
| f) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,                   | -                  | 3.9            |
| g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | 3.5                | -              |
| h) The nature of CSR activities undertaken by the Company.  | -                  | -              |
|   | <b>3.5</b>         | <b>3.9</b>     |

In case of Section 135(6) (Ongoing project)

| Opening Balance |                             | Amount required to be spent during the year | Amount required to be spent during |                               | Closing Balance |                             |
|-----------------|-----------------------------|---|------------------------------------|-------------------------------|-----------------|-----------------------------|
| With Company    | In separate CSR unspent a/c |   | From company's bank account        | from separate CSR unspent a/c | With Company    | in separate CSR unspent a/c |
| -               | -                           | 3.5   | 3.5                                | -                             | 3.5             | -                           |

Disclosure pursuant to changes in sec 135 (5) (other than ongoing projects)

| Opening Balance | Amount deposited in specified fund of schedule VII within 6 months | Amount required to be spent during the year | Amount spent during the year | Closing Balance |
|-----------------|--|---|------------------------------|-----------------|
| -               | -  | -   | -                            | -               |

30. Tax expenses

|                                    | For the year ended |                |
|------------------------------------|--------------------|----------------|
|                                    | March 31, 2022     | March 31, 2021 |
| <b>(a) Tax expenses</b>            |                    |                |
| <b>Current tax</b>                 |                    |                |
| Current tax on profit for the year | -                  | 50.5           |

|   |               |               |
|---|---------------|---------------|
| Adjustment of current tax relating to earlier periods | -             | 12.1          |
| <b>Total current tax expense</b>                      | <b>-</b>      | <b>62.6</b>   |
| <b>Deferred tax (refer note 7)</b>                    |               |               |
| Decrease / (increase) in deferred tax assets          | (44.3)        | (13.6)        |
| (Decrease) / increase in deferred tax liabilities     | 0.3           | 0.6           |
| <b>Total deferred tax expense / (benefit)</b>         | <b>(44.0)</b> | <b>(13.0)</b> |
| <b>Income tax expense</b>                             | <b>(44.0)</b> | <b>49.6</b>   |

**(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) before tax  | (425.8)            | 131.7          |
| Tax at India's tax rate of 25.168% (March 31, 2021: 25.168%)                 | (107.2)            | 33.2           |
| Tax effect of amounts which are not deductible in calculating taxable income | 63.2               | 4.2            |
| Adjustment of tax relating to earlier periods*                               | -                  | 12.1           |
| <b>Income tax expense</b>  | <b>(44.0)</b>      | <b>49.5</b>    |

\* Including amount INR 7.19 million deposit under Direct Tax Vivaad se Vishwas Act, 2020 for AY 2006-07

**31. Earnings per share**

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| <b>a) Basic</b>  |                |                |
| Profit/ (loss) attributable to equity shareholders                       | (381.8)        | 82.2           |
| Weighted average number of equity shares for basic earnings per share    | 1,29,73,453    | 1,29,73,453    |
| <b>Basic earnings/(loss) per share (Rs.)</b>                             | <b>(29.4)</b>  | <b>6.3</b>     |
| <b>b) Diluted (refer note (i) below)</b>                                 |                |                |
| Weighted average number of Equity Shares for diluted earnings per shares | 1,29,73,453    | 1,29,73,453    |
| <b>Diluted earnings/ (loss) per share (Rs.)</b>                          | <b>(29.4)</b>  | <b>6.3</b>     |

(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.

(This space has been intentionally left blank)

32. Fair value measurements

Financial instruments by category

|                                     | March 31, 2022 |          |                | March 31, 2021 |          |                |
|-------------------------------------|----------------|----------|----------------|----------------|----------|----------------|
|                                     | FVTPL          | FVTOCI   | Amortised Cost | FVTPL          | FVTOCI   | Amortised Cost |
| <b>Financial assets</b>             |                |          |                |                |          |                |
| Loans                               | -              | -        | 125.4          | -              | -        | 119.5          |
| Deposits and other financial assets | 1.5            | -        | 179.7          | -              | -        | 131.1          |
| Trade receivables                   | -              | -        | 914.4          | -              | -        | 610.4          |
| Cash and cash equivalents           | -              | -        | 7.7            | -              | -        | 37.7           |
| Other Bank Balance                  | -              | -        | 0.3            | -              | -        | -              |
| <b>Total financial assets</b>       | <b>1.5</b>     | <b>-</b> | <b>1,227.4</b> | <b>-</b>       | <b>-</b> | <b>898.6</b>   |
| <b>Financial Liabilities</b>        |                |          |                |                |          |                |
| Borrowings                          | -              | -        | 1,309.6        | -              | -        | 576.7          |
| Lease liabilities                   | -              | -        | 198.9          | -              | -        | 252.2          |
| Trade payable                       | -              | -        | 392.6          | -              | -        | 211.8          |
| Employee related payable            | -              | -        | 200.5          | -              | -        | 155.6          |
| Other financial liabilities         | -              | -        | 146.9          | -              | -        | 145.3          |
| <b>Total financial liabilities</b>  | <b>-</b>       | <b>-</b> | <b>2,248.4</b> | <b>-</b>       | <b>-</b> | <b>1,341.5</b> |

i. Fair value hierarchy

There are no Financial assets and liabilities which are measured at fair value - recurring fair value measurements except forward contracts recognised at fair value through profit or loss.

Derivative assets (forward contracts) are recorded based on fair value mark to market obtained from banks and are categorised under level 2 fair value hierarchy.

Non current 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      |
| <b>Financial assets</b>            |                |          |              |                |          |              |
| Loan                               | -              | -        | 125.4        | -              | -        | 119.5        |
| Security deposits                  | -              | -        | 64.1         | -              | -        | 50.1         |
| Other financial assets             | -              | -        | 9.5          | -              | -        | 8.1          |
| <b>Total financial assets</b>      | <b>-</b>       | <b>-</b> | <b>199.0</b> | <b>-</b>       | <b>-</b> | <b>177.7</b> |
| <b>Financial liabilities</b>       |                |          |              |                |          |              |
| Borrowings                         | -              | -        | 475.3        | -              | -        | 299.4        |
| Lease liabilities                  | -              | -        | 123.1        | -              | -        | 174.7        |
| <b>Total financial liabilities</b> | <b>-</b>       | <b>-</b> | <b>598.4</b> | <b>-</b>       | <b>-</b> | <b>474.1</b> |

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital goods and other current financial assets and 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.

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   |
| <b>Financial Assets</b>      |                 |              |                 |              |
| Loan                         | 125.4           | 125.4        | 119.5           | 119.5        |
| Security deposits            | 64.1            | 64.1         | 50.1            | 50.1         |
| Other financial assets       | 9.5             | 9.5          | 8.1             | 8.1          |
|                              | <b>199.0</b>    | <b>199.0</b> | <b>177.7</b>    | <b>177.7</b> |
| <b>Financial liabilities</b> |                 |              |                 |              |
| Borrowings                   | 475.3           | 475.3        | 299.4           | 299.4        |
| Lease liabilities            | 123.1           | 123.1        | 174.7           | 174.7        |
|                              | <b>598.4</b>    | <b>598.4</b> | <b>474.1</b>    | <b>474.1</b> |

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

**Note:** The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

**33. Financial risk management**

The Company, is an internationally SEI CMMI level 5 IT services company which 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:

**A Foreign currency risk:**

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in Euros, and U.S. Dollars). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Rupees may decrease. The exchange rate between the Indian Rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company uses derivative financial instrument- foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The derivative instruments and unhedged foreign currency exposure is as follows:

**(i) Derivatives outstanding as at the reporting date**

| Particulars/ Purpose | Currency | As At<br>March 31, 2022       |               | As At<br>March 31, 2021       |               |
|----------------------|----------|-------------------------------|---------------|-------------------------------|---------------|
|                      |          | Amount in Foreign<br>currency | Amount in INR | Amount in Foreign<br>currency | Amount in INR |
| Forward contracts    | EUR:INR  | 1.0                           | 84.9          | -                             | -             |
| Forward contracts    | USD:INR  | 1.2                           | 93.1          | -                             | -             |

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

| Currency | As at March 31, 2022<br>(Payable) / Receivable |                          | As at March 31, 2021<br>(Payable) / Receivable |                          |
|----------|--|--------------------------|--|--------------------------|
|          | Amount in<br>Foreign currency in<br>million    | Amount in<br>INR million | Amount in<br>Foreign currency in<br>million    | Amount in<br>INR million |
| USD      | 0.6  | 44.1                     | 0.7  | 48.6                     |
| JPY      | 33.4   | 21.3                     | 0.3  | 0.2                      |
| AED      | 0.0  | 0.2                      | 0.0  | 0.0                      |
| AUD      | 0.0  | 0.2                      | 0.0  | 1.0                      |
| EUR      | 4.4  | 367.9                    | 2.8  | 241.7                    |
| GBP      | (0.0)  | (0.2)                    | (0.0)  | (0.1)                    |
| SGD      | 0.1  | 6.1                      | 0.1  | 8.0                      |
| ZAR      | 0.7  | 3.7                      | 1.7  | 8.6                      |

**Foreign currency sensitivity on unhedged exposure**

5% increase / decrease in foreign exchange rates will have the following impact on profit before tax:

|                              | Impact on profit before tax |                |
|------------------------------|-----------------------------|----------------|
|                              | March 31, 2022              | March 31, 2021 |
| Increase by 5% in forex rate | 22.2                        | 15.4           |
| Decrease by 5% in forex rate | (22.2)                      | (15.4)         |

**(iii) Mark to market losses / (gain) on forward contracts**

|   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2022     | March 31, 2021 |
| Mark to Market losses / (gain) on forward contracts | -                  | 0.1            |

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

| Currency                               | As at March 31, 2022<br>(Payable) / Receivable |                  | As at March 31, 2021<br>(Payable) / Receivable |                  |        |
|--|--|------------------|--|------------------|--------|
|  | Amount in<br>Foreign currency                  | Amount in<br>Rs. | Amount in<br>Foreign currency                  | Amount in<br>Rs. |        |
| Trade receivables                      | USD  | 1.1              | 79.6   | 0.9              | 71.3   |
|  | JPY  | 32.5             | 20.7   | 0.6              | 0.4    |
|  | AED  | 0.0              | 0.0  | -                | -      |
|  | AUD  | 0.0              | 0.2  | -                | 1.0    |
|  | EUR  | 4.9              | 410.6  | 3.8              | 312.9  |
|  | GBP  | 0.0              | 0.0  | -                | -      |
|  | SGD  | 0.1              | 6.1  | -                | 2.2    |
|  | ZAR  | 0.7              | 3.7  | 1.2              | 5.3    |
| Trade payables                         | USD  | (0.5)            | (35.8)   | -                | (3.1)  |
|  | JPY  | 0.0              | 0.0  | -                | -      |
|  | AUD  | 0.0              | 0.0  | (0.2)            | (7.8)  |
|  | EUR  | 0.0              | (1.0)  | -                | (2.9)  |
|  | GBP  | 0.0              | (0.2)  | -                | (0.5)  |
|  | SGD  | 0.0              | 0.0  | -                | (0.7)  |
| Advance to suppliers                   | USD  | 0.0              | 0.0  | -                | -      |
|  | EUR  | 0.0              | 0.0  | -                | -      |
|  | JPY  | 0.9              | 0.6  | -                | -      |
|  | AED  | 0.0              | 0.2  | -                | -      |
| Security deposits received             | EUR  | (0.5)            | (41.9)   | (0.5)            | (41.7) |
|  | EUR  | -                | -  | -                | -      |
| Balances with banks<br>(natural hedge) | USD  | 0.0              | 0.3  | -                | 0.6    |
|  | EUR  | 0.0              | 0.2  | -                | 0.3    |
|  | JPY  | 0.0              | 0.0  | 0.1              | 0.1    |
|  | EUR  | -                | -  | -                | -      |

**(ii) 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:

| Change in<br>exchange rate | Effect on profit<br>before tax |
|----------------------------|--------------------------------|
|----------------------------|--------------------------------|

|                       |     |        |
|-----------------------|-----|--------|
| <b>March 31, 2022</b> |     |        |
| USD against INR       | +5% | (2.2)  |
|                       | -5% | 2.2    |
| EUR against INR       | +5% | (18.1) |
|                       | -5% | 18.1   |
| JPY against INR       | +5% | (1.1)  |
|                       | -5% | 1.1    |
| <b>March 31, 2021</b> |     |        |
| USD against INR       | +5% | (2.4)  |
|                       | -5% | 2.4    |
| EUR against INR       | +5% | (11.8) |
|                       | -5% | 11.8   |
| JPY against INR       | +5% | (0.0)  |
|                       | -5% | 0.0    |

The sensitivity on unhedged currency exposures in other currencies is not significant, hence not disclosed

**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. The Company's main interest rate risk arises from long-term borrowings with variable interest rates, which exposes the company to cash flow interest rate risk. All the company's borrowings at variable rate are denominated in INR

**(i) Interest rate risk exposure**

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

|                          |                       |                       |
|--------------------------|-----------------------|-----------------------|
|                          | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
| Variable rate borrowings | 321.8                 | 295.9                 |
| Fixed rate borrowings    | 315.0                 | 165.0                 |
| <b>Total borrowings</b>  | <b>636.8</b>          | <b>460.9</b>          |

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

**(ii) Sensitivity analysis**

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

|   |                                   |                       |
|---|-----------------------------------|-----------------------|
|   | <b>Impact on profit after tax</b> |                       |
|   | <b>March 31, 2022</b>             | <b>March 31, 2021</b> |
| Interest rates-increase by 50 basis points* | (1.2)                             | (1.1)                 |
| Interest rates-decrease by 50 basis points* | 1.2                               | 1.1                   |

\* Holding all other variables constant

**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.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's majority customers are Motherson group companies which have good credit ratings. Non-Motherson clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

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

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Floating rate  |                |                |
| - Expiring within one year (cash credit and other credit facilities) | 586.2          | 566.6          |

**(ii) 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          |
|---|----------------|--------------|-------------------|----------------|
| <b>Non-derivatives</b>                  |                |              |                   |                |
| Borrowings                              | 834.3          | 475.3        | -                 | 1,309.6        |
| Lease liabilities                       | 75.8           | 22.3         | 100.8             | 198.9          |
| Trade payables                          | 392.6          | -            | -                 | 392.6          |
| Employee related payable                | 200.5          | -            | -                 | 200.5          |
| Other financial liabilities             | 86.1           | 60.8         | -                 | 146.9          |
| <b>Total non-derivative liabilities</b> | <b>1,589.2</b> | <b>558.4</b> | <b>100.8</b>      | <b>2,248.4</b> |
|   |                |              |                   |                |
| Year Ended March 31, 2021               | Upto 1 year    | 1 to 5 years | More than 5 years | Total          |
| <b>Non-derivatives</b>                  |                |              |                   |                |
| Short-term borrowings                   | 277.3          | 299.4        | -                 | 576.7          |
| Lease liabilities                       | 53.4           | 95.8         | 103.1             | 252.3          |
| Trade payables                          | 211.7          | -            | -                 | 211.7          |
| Employee related payable                | 155.6          | -            | -                 | 155.6          |
| Other financial liabilities             | 145.3          | -            | -                 | 145.3          |
| <b>Total non-derivative liabilities</b> | <b>843.3</b>   | <b>395.2</b> | <b>103.1</b>      | <b>1,341.5</b> |
| <b>Derivatives (net settled)</b>        |                |              |                   |                |
| Foreign exchange forward contracts      | -              | -            | -                 | -              |
| <b>Total derivative liabilities</b>     | <b>-</b>       | <b>-</b>     | <b>-</b>          | <b>-</b>       |

**34. Capital management**

**(a) Risk management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax, depreciation and amortization expense, 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:

|                           | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|---------------------------|-----------------------|-----------------------|
| Net Debt                  | 1,500.8               | 791.2                 |
| EBITDA                    | (174.3)               | 346.5                 |
| <b>Net Debt to EBITDA</b> | <b>(8.6)</b>          | <b>2.3</b>            |

**(b) Loan covenants**

Under the terms of the borrowing facilities, the Company is not required to comply with any loan covenants.

**(b) Dividends**

On Equity shares of Rs. 10 each

**Final dividend**

Amount of dividend paid (pertains to previous financial year)

Dividend per equity share (INR)

|   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|---|-----------------------|-----------------------|
| Amount of dividend paid (pertains to previous financial year) | -                     | -                     |
| Dividend per equity share (INR)                               | -                     | -                     |

35. Related Parties

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

A. Relationships where control exists:

i) Holding Company

Samvardhana Motherhood International Limited till January 21, 2022  
Motherhood Sumi Systems Limited w.e.f January 21, 2022

ii) Subsidiaries, fellow subsidiaries:

Motherhood Machinery and Automations Limited (fellow Subsidiary through SMISL)  
Motherhood Molds and Diecasting Limited  
SAKS Ancillaries Limited (fellow Subsidiary through SMISL)  
Samvardhana Motherhood Virtual Analysis Limited (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
Motherhood Auto Solutions Limited (Subsidiary through SMISL)  
MSID U.S. Inc (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
MotherhoodSumi Infotech & Designs GmbH (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
MotherhoodSumi Infotech & Designs KK (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
MotherhoodSumi Infotech and Designs S.G. Pte. Ltd. (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
Motherhood Consultancies Service Limited  
Motherhood Auto Engineering Service Limited (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
Motherhood Techno Tools Limited (Subsidiary through SMISL)  
Samvardhana Motherhood Innovative Solutions Limited (SMISL) (earlier known as Tigers Connect Travel Systems & Solutions Ltd.)  
Samvardhana Motherhood Refrigeration Product Limited (Subsidiary through SMISL)  
Samvardhana Motherhood Auto Component Private Limited  
Samvardhana Motherhood Auto System Private Limited (Subsidiary through SMISL)  
Samvardhana Motherhood Finance Service Cyprus Limited  
Samvardhana Motherhood Holding (M) Pvt. Ltd.  
Motherhood Sintermetal Technology B.V. (Subsidiary through SMISL) (Till July 2020)  
Motherhood Sintermetal Products S.A. (Subsidiary through SMISL)  
Motherhood Techno Tools Mideast FZE (Subsidiary through SMISL)  
Motherhood Invenzen XLab Private Limited  
MS Global India Automotive India Private Limited  
Samvardhana Motherhood Maadhyan International Limited  
Samvardhana Motherhood Health Solutions Limited (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
SMI Consulting Technologies, Inc. (Subsidiary of Motherhood Technology Services Limited (formerly known as MotherhoodSumi Infotech & Designs Limited))  
Samvardhana Motherhood Global Carriers Limited  
Motherhood Infotech Designs Mideast FZ LLC  
Motherhood Infotech and Solutions UK Limited  
Motherhood Information Technologies Spain SLU  
Motherhood Air Travel Agencies Limited  
MSSL Mauritius Holdings Limited  
Motherhood Electrical Wires Lanka Pvt. Ltd.  
MSSL Mideast (FZE)  
MSSL (S) Pte Ltd.  
Motherhood Innovations Tech Limited  
Samvardhana Motherhood Polymers Ltd.  
MSSL (GB) Limited  
Motherhood Wiring System (FZE)  
MSSL GmbH  
MSSL Tooling (FZE)  
Samvardhana Motherhood Invest Deutschland GmbH  
MSSL Advanced Polymers s.r.o  
Motherhood Techno Precision GmbH  
MSSL s.r.l Unipersonale  
Motherhood Techno Precision México, S.A. de C.V  
MSSL Australia Pty Ltd  
MSSL Ireland Pvt. Ltd.  
Global Environment Management (FZE)  
Motherhood Elastomers Pty Limited  
Motherhood Investments Pty Limited  
MSSL Global RSA Module Engineering Limited  
MSSL Japan Limited  
Vacuform 2000 (Proprietary) Limited.  
MSSL México, S.A. De C.V.  
MSSL WH System (Thailand) Co., Ltd  
MSSL Korea WH Limited  
MSSL Consolidated Inc., USA  
MSSL Wiring System Inc., USA  
Alphabet de Mexico, S.A. de C.V.  
Alphabet de Mexico de Monclova, S.A. de C.V.  
Alphabet de Saltillo, S.A. de C.V.  
MSSL Wirings Juarez S.A. de C.V.  
MSSL Manufacturing Hungary Kft  
Motherhood Air Travel Pvt. Ltd.  
MSSL Estonia WH OÜ  
Samvardhana Motherhood Global Holdings Ltd.  
Samvardhana Motherhood Automotive Systems Group B.V.  
Samvardhana Motherhood Reflectec Group Holdings Limited  
SMR Automotive Technology Holding Cyprus Ltd.  
SMR Automotive Mirror Parts and Holdings UK Ltd.  
SMR Automotive Holding Hong Kong Limited  
SMR Automotive Systems India Limited  
SMR Automotive Systems France S. A.  
SMR Automotive Mirror Technology Holding Hungary Kft  
SMR Patents S.a.R.L.  
SMR Automotive Technology Valencia S.A.U.  
SMR Automotive Mirrors UK Limited  
SMR Automotive Mirror International USA Inc.  
SMR Automotive Systems USA Inc.  
SMR Automotive Beijing Co. Limited  
SMR Automotive Yancheng Co. Limited  
SMR Automotive Mirror Systems Holding Deutschland GmbH  
SMR Holding Australia Pty Limited  
SMR Automotive Australia Pty Limited  
SMR Automotive Mirror Technology Hungary Bt  
SMR Automotive Modules Korea Ltd  
SMR Automotive Beteiligungen Deutschland GmbH  
SMR Hyosang Automotive Ltd.  
SMR Automotive Mirrors Stuttgart GmbH  
SMR Automotive Systems Spain S.A.U.  
SMR Automotive Vision Systems Mexico S.A. de C.V.  
SMR Grundbesitz GmbH & Co. KG  
SMR Automotive Brasil LTDA  
SMR Automotive System (Thailand) Limited  
SMR Automotives Systems Macedonia Doel Skopje  
SMR Automotive Operations Japan K.K.

SMR Automotive (Langfang) Co. Ltd.  
SMR Automotive Vision System Operations USA INC  
SMR Mirror UK Limited  
Samvardhana Motherhood Peguform GmbH  
SMP Automotive Interiors (Beijing) Co. Ltd  
SMP Deutschland GmbH  
SMP Logistik Service GmbH  
SMP Automotive Solutions Slovakia s.r.o  
Changchun Peguform Automotive Plastics Technology Co. Ltd  
Foshan Peguform Automotive Plastics Technology Co. Ltd.  
SMP Automotive Technology Management Services (Changchun) Co. Ltd.  
SMP Automotive Technology Iberica S.L  
Samvardhana Motherhood Peguform Barcelona S.L.U  
SMP Automotive Technologies Teruel Sociedad Limitada  
Samvardhana Motherhood Peguform Automotive Technology Portugal S.A  
SMP Automotive Systems Mexico S.A. de C.V  
SMP Automotive Produtos Automotivos do Brasil Ltda.  
SMP Automotive Exterior GmbH  
Samvardhana Motherhood Innovative Autosystems B.V. & Co. KG  
Samvardhana Motherhood Innovative Autosystems Holding Company BV  
SM Real Estate GmbH  
Samvardhana Motherhood Innovative Autosystems de México, S.A. de C.V  
SMP Automotive Systems Alabama Inc.  
Motherhood Innovations Company Limited, U.K.  
Motherhood Innovations Deutschland GmbH  
Samvardhana Motherhood Global (FZE)  
SMR Automotive Industries RUS Limited Liability Company  
Celulosa Fabril (Cefa) S.A.  
Modulos Ribera Alta S.L.  
Motherhood Innovations Lights GmbH & Co KG  
Motherhood Innovations Lights Verwaltungs GmbH  
PKC Group Oy  
PKC Wiring Systems Oy  
PKC Group Poland Sp. z o.o.  
PKC Wiring Systems Llc  
PKC Group APAC Limited  
PKC Group Canada Inc.  
PKC Group USA Inc.  
PKC Group Mexico S.A. de C.V.  
Project del Holding S.a.r.l.  
PK Cables do Brasil Ltda  
PKC Eesti AS  
TKV-sarjat Oy  
PKC SEGU Systemelektrik GmbH  
Groclin Luxembourg S.à r.l.  
PKC Vehicle Technology (Suzhou) Co., Ltd.  
AEES Inc.  
PKC Group Lithuania UAB  
PKC Group Poland Holding Sp. z o.o.  
OOO AEK  
Kabel-Technik-Polska Sp. z o.o.  
AEES Power Systems Limited partnership  
T.I.C.S. Corporation  
Fortitude Industries Inc.  
AEES Manufactura, S. De R.L de C.V.  
Cableados del Norte II, S. de R.L de C.V.  
Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.  
Arneses y Accesorios de México, S. de R.L de C.V.  
Asesoría Mexicana Empresarial, S. de R.L de C.V.  
Arneses de Ciudad Juarez, S. de R.L de C.V.  
PKC Group de Piedras Negras, S. de R.L de C.V.  
PKC Group AEES Commercial S. de R.L de C.V  
Jiangsu Huakai-PKC Wire Harness Co., Ltd.  
PKC Vehicle Technology (Hefei) Co. Ltd.  
Shanjdong Huakai-PKC Wireharness Co. Ltd.  
Shenyang SMP Automotive Plastic Component Co. Ltd.  
PKC Vehicle Technology (Fuyang) Co., Ltd.  
Tianjin SMP Automotive Component Company Limited  
SMRC Automotive Holdings B.V. (formerly Reydel Automotive Holdings B.V.)  
SMRC Automotive Holdings Netherlands B.V. (formerly Reydel Automotive B.V.)  
SMRC Automotives Techno Minority Holdings B.V. (formerly Reydel Automotive Minority Holdings B.V.)  
SMRC Smart Automotive Interior Technologies USA, LLC (formerly Reydel Automotive USA, LLC) (dissolved effective June 28, 2021)  
SMRC Automotive Modules France SAS (formerly Reydel Automotive France SAS)  
Samvardhana Motherhood Reydel Automotive Parts Holding Spain, S.L.U. (formerly Reydel Automotive Holding Spain, S.L.U)  
SMRC Automotive Interiors Spain S.L.U. (formerly Reydel Automotive Spain, S.L.U)  
SMRC Automotive Interior Modules Croatia d.o.o.(formerly Reydel Automotive Croatia d.o.o.)  
Samvardhana Motherhood Reydel Autotecc Morocco SAS (formerly Reydel Automotive Morocco SAS)  
SMRC Automotive Technology RU LLC (formerly Reydel Automotive Rus LLC)  
SMRC Smart Interior Systems Germany GmbH (formerly Reydel Automotive Germany GmbH)  
SMRC Automotive Interiors Products Poland SA(formerly Reydel Automotive Poland SA) (dormant)  
SMRC Automotive Solutions Slovakia s.r.o.(formerly Reydel Automotive Slovakia s.r.o.)  
SMRC Automotive Holding South America B.V.(formerly Reydel Automotive South America B.V.)  
SMRC Automotive Modules South America Minority Holdings B.V. (formerly Reydel Automotive South America Minority Holdings B.V.)  
SMRC Automotive Tech Argentina S.A.(formerly Reydel Automotive Argentina SA)  
SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda (formerly Reydel Automotive Brazil)  
SMRC Automotive Products Limited (formerly SMRC Automotive Products Private Ltd.)  
SMRC Automotive Smart Interior Tech (Thailand) Ltd. (formerly Reydel Automotive Thailand Ltd.)  
SMRC Automotive Interiors Japan Ltd. (formerly Reydel Automotive Japan Ltd.)  
Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd. (formerly Shanghai Reydel Automotive Technology Consulting Co. Ltd.)  
PT SMRC Automotive Technology Indonesia (formerly PT Reydel Automotive Indonesia)  
Yujin SMRC Automotive Techno Corp. (formerly Yujin- Reydel Corp.)  
SMRC Automotives Technology Phil Inc.(formerly Reydel Automotive Phils Inc.)  
MSSL M Tooling Ltd (defunct w.e.f. 30.10.2020)  
Motherhood Innovations LLC, USA  
Motherhood Ossia Innovations LLC, USA  
Samvardhana Motherhood Corp Management Shanghai Co Ltd.  
Motherhood Rolling Stock Systems GB Ltd. (under liquidation)  
Motherhood PKC Harness Systems FZ-LLC  
Wisetime Oy  
Re-time Pty Limited  
Motherhood Sumi Wiring India Limited  
SMP Automotive Interior Modules d.o.o. Čuprija, Serbia  
Motherhood Rolling Stocks S. de R.L de C.V.  
Shenyang SMP Automotive Trim Co., Ltd., China  
Motherhood Business Service Hungary Kft.  
SMR Plast Met Molds & Tools Turkey (effective from April 29, 2021)  
SMR Plast Met Autoivoitec Tec Turkey (effective from April 29, 2021)

**B. Other related parties**

**i) Joint Ventures:**

Sumitomo Wiring Systems Limited  
H.K.Wiring Systems Limited

**ii) Companies in which Key Managerial Personnel or their relatives have control/ significant influence:**

Motherson Engineering Research and Integrated Technologies Limited  
A Basic Concepts Design Pty Limited  
Motherson Auto Limited  
ATAR Mauritius Private Limited  
Swarn Lata Motherson Trust  
SCCL Infra Projects Limited  
SCCL Global Project (FZE)  
Samvardhana Motherson Global FZE, Dubai  
Spirited Auto Cars (I) Limited  
Motherson Lease Solution Limited  
Systematic Conscom Limited  
Advanced Technologies and Auto Resources Pte. Ltd.  
Edcol Global Pte. Limited  
Motherson Innovative Technologies and Research  
Radha Rani Holdings Pte Ltd  
JSSR Holdings (M) Pvt. Ltd.  
Motherson Air Travel Agency GmbH  
Nirvana Foods GmbH  
Nirvana Niche Products Private Limited  
Global Environment Management (FZE)  
Sehgal Family Trust  
Swarn Lata Motherson Dhenu Sewarth Trust  
Valeo Motherson Thermal Commercial Vehicles India Limited  
Matsui Technologies India Limited  
Fritzmeier Motherson Cabin Engineering private Ltd.  
Motherson Bergstrom HVAC Solutions Private Limited  
Marelli Motherson Automotive Lighting India Private Limited  
Marelli Motherson Auto Suspension Parts Private Limited  
CTM India Limited  
Samvardhana Motherson Global Holdings Limited & its subsidiaries  
Samvardhana Motherson Polymers Limited  
Youngshin Motherson Auto Tech Limited  
Nissin Advanced Coating Indo Company Pvt. Ltd. (through SMISL)  
AES (India) Engineering Limited (through SMISL)  
Anest Iwata Motherson Private Limited (through SMISL)  
Anest Iwata Motherson Coating Equipment Private Limited(through SMISL)  
Calsonic Kansei Motherson Auto Product Pvt. Ltd.  
Field Motor Pvt. Ltd.  
Frigel Intelligent Cooling Systems India Pvt. Ltd.  
Kyungshin Industrial Motherson Pvt. Ltd.  
SWS India Management Support and Service Pvt. Ltd  
Advantedge Technology Partners Private Limited  
Samvardhana Motherson Global Carriers Limited  
Samvardhana Motherson Hamakyorek 4PL Value Managers Limited  
Renu Farms Private limited  
FDO Holidays Private Limited  
Adventure Auto Car India Limited  
Spirited Motor Vehicles Limited  
Prime Auto Cars Limited Prime Auto Cars Limited  
Advantedge Incubators Private Limited  
Son grows System Limited

**iii) Private Company in which Director or his relative is a member/director**

Marelli Motherson Automotive Lighting India private Limited  
Kyungshin Industrial Motherson Pvt. Ltd.  
Fritzmeier Motherson Cabin Engineering Private Limited  
Renu Farms Private Limited  
Advantedge Technology Partners Pvt. Ltd.  
Moon Meadows Private Limited  
Nirvana Niche Products Private Limited  
Shri Sehgal's Trustee Company Private Limited  
Sisbro Motor & Workshop Private Limited  
Field Motor Private Limited  
Southcity Motors Private Limited  
Samvardhana Motherson Auto System Private Limited  
Advantedge Incubators Private Limited

**iv) Firm in which a director or his relative is a partner**

Motherson (Partnership Firm)  
Vaaman Auto Industry (Partnership Firm)  
Ganpati Auto Industries (Partnership Firm)

**v) Public company in which a director is a director and holds along with his relatives more than two present of its paid-up capital**

Samvardhana Motherson International Limited  
Motherson Techno Tools Limited  
Motherson Auto Limited  
Motherson Sumi Wiring India Limited

**vi) Key Managerial Personnel**

**a) Board of Directors**

Mr. Laksh Vaaman Sehgal  
Mr. Bimal Dhar  
Mr. Arjun Puri (Independent Director)  
Mr. Sanjay Kalia (Independent Director)  
Mr. Shunichiro Nishimura  
Mr. Hideaki Kobayashi  
Ms. Lata Unnikrishnan

**b) Other KMP**

Mr. Rajesh Thakur, Chief Executive Officer  
Mr. Rajesh Srivastava, Chief Financial Officer  
Ms. Pooja Mehra, Company Secretary (till January 27, 2022)

**vii) Relatives of Key Managerial Personnel**

Mr. Vivek Chaand Sehgal  
Mrs. Renu Sehgal  
Ms. Vidhi Sehgal  
Mrs. Samridhi Sehgal  
Master. Sidh Vaasav Sehgal  
Master. Ganan Yuvaan Sehgal

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 35 (I) above:

(a) Key management personnel compensation

|                              | March 31, 2022 | March 31, 2021 |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 48.3           | 33.7           |
| Post-employment benefits     | 2.2            | 2.0            |
| Long-term employee benefits  | 0.6            | 0.6            |
| <b>Total compensation</b>    | <b>51.1</b>    | <b>36.3</b>    |

(b) Transactions with related parties

| S. No. | Particulars                                      | Holding company |                | Subsidiary & Fellow Subsidiary Companies |                | Joint ventures |                | Other related parties |                | Key Management personnel |                | Total          |                |
|--------|--|-----------------|----------------|--|----------------|----------------|----------------|-----------------------|----------------|--------------------------|----------------|----------------|----------------|
|        |  | March 31, 2022  | March 31, 2021 | March 31, 2022                           | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022        | March 31, 2021 | March 31, 2022           | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| 1      | Sales of goods                                   | 22.3            | 2.9            | 23.7                                     | 13.4           | -              | -              | 189.9                 | 178.6          | -                        | -              | 235.8          | 194.9          |
| 2      | Services rendered                                | 96.6            | 15.9           | 884.1                                    | 305.8          | -              | 0.0            | 2,129.4               | 2,575.2        | -                        | -              | 3,110.2        | 2,897.1        |
| 3      | Script sale                                      | -               | -              | 9.0                                      | -              | -              | -              | -                     | 15.2           | -                        | -              | 9.0            | 15.2           |
| 4      | Purchases  | -               | -              | -  | 6.1            | -              | -              | -                     | 0.2            | -                        | -              | -              | 6.3            |
| 5      | Purchase of fixed assets                         | -               | -              | -  | -              | -              | -              | 59.5                  | 93.4           | -                        | -              | 59.5           | 93.4           |
| 6      | Payment of salaries                              | -               | -              | -  | -              | -              | -              | -                     | -              | 51.1                     | 36.3           | 51.1           | 36.3           |
| 7      | Sales of assets                                  | 0.2             | -              | -  | -              | -              | -              | 2.1                   | -              | -                        | -              | 2.2            | -              |
| 8      | Other income received                            | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| 9      | Other expenses:                                  | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| a      | Legal & professional expenses                    | 32.4            | 31.1           | -  | -              | -              | -              | 0.0                   | 0.2            | -                        | -              | 32.4           | 31.3           |
| b      | Business Promotion                               | -               | -              | -  | 7.4            | -              | -              | -                     | 2.5            | -                        | -              | -              | 9.9            |
| c      | Consultancy charges                              | -               | -              | -  | 12.6           | -              | -              | -                     | 0.1            | -                        | -              | -              | 12.7           |
| d      | Corporate social responsibility (CSR) activities | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| d      | Electricity, water and fuel                      | -               | -              | -  | -              | -              | -              | 6.4                   | 8.5            | -                        | -              | 6.4            | 8.5            |
| f      | Staff welfare                                    | -               | -              | 0.9                                      | -              | -              | -              | -                     | -              | -                        | -              | 0.9            | -              |
| e      | Communication expenses                           | -               | -              | -  | -              | 0.3            | -              | -                     | 1.1            | -                        | -              | -              | 1.4            |
| f      | Lease rent                                       | -               | -              | 4.5                                      | 5.2            | -              | -              | 80.0                  | 81.8           | -                        | -              | 84.5           | 87.0           |
| g      | Miscellaneous                                    | 1.0             | 0.0            | (0.2)                                    | 0.6            | -              | -              | 10.8                  | 4.3            | -                        | -              | 11.6           | 4.9            |
| h      | Repairs and maintenance: Building                | -               | -              | -  | 0.0            | -              | -              | 10.5                  | 10.4           | -                        | -              | 10.5           | 10.4           |
| i      | Software license and development charges         | 9.7             | -              | 71.8                                     | 48.0           | -              | 1.5            | 2.6                   | 11.4           | -                        | -              | 84.1           | 60.9           |
| j      | Traveling and Conveyance                         | -               | -              | 10.5                                     | 2.7            | -              | -              | -                     | -              | -                        | -              | 10.5           | 2.7            |
| m      | Insurance  | -               | -              | -  | -              | -              | -              | 0.8                   | -              | -                        | -              | 0.8            | -              |
| k      | Training & seminar expenses                      | -               | -              | -  | -              | -              | -              | -                     | 0.0            | -                        | -              | -              | 0.0            |
| o      | Leaseline & web hosting charges                  | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| p      | Outsourcing expenses                             | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| q      | Rent   | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| r      | Store consumed                                   | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| 10     | Sitting fees to Directors                        | -               | -              | -  | -              | -              | -              | -                     | -              | 0.3                      | 0.2            | 0.3            | 0.2            |
| 11     | Reimbursements received                          | 0.0             | 0.0            | 2.0                                      | 2.0            | -              | -              | 1.6                   | 2.3            | -                        | -              | 3.6            | 4.3            |
| 12     | Reimbursements paid                              | 10.6            | 14.1           | 18.3                                     | 1.2            | -              | -              | 9.4                   | 13.5           | -                        | -              | 38.3           | 28.8           |
| 13     | Dividend paid                                    | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| 14     | ICD obtained                                     | 150.0           | -              | 140.0                                    | -              | -              | -              | -                     | -              | -                        | -              | 290.0          | -              |
| 15     | ICD repaid                                       | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| 16     | Interest on ICD obtained                         | 25.2            | 14.2           | 0.7                                      | -              | -              | -              | -                     | -              | -                        | -              | 25.9           | 14.2           |
| 17     | ICD given  | -               | -              | 171.7                                    | 62.5           | -              | -              | -                     | -              | -                        | -              | 171.7          | 62.5           |
| 18     | ICD Impaired                                     | -               | -              | 165.6                                    | -              | -              | -              | -                     | -              | -                        | -              | 165.6          | -              |
| 19     | Interest on ICD given                            | -               | -              | 15.6                                     | 8.9            | -              | -              | -                     | -              | -                        | -              | 15.6           | 8.9            |
| 19     | ICD received back                                | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| 20     | Investment in subsidiary                         | -               | -              | 19.2                                     | 8.0            | -              | -              | -                     | -              | -                        | -              | 19.2           | 8.0            |
| 21     | Security deposits given                          | -               | -              | -  | -              | -              | -              | 10.3                  | 9.5            | -                        | -              | 10.3           | 9.5            |
| 22     | Security deposits refund received                | -               | -              | -  | -              | -              | -              | 9.0                   | 10.2           | -                        | -              | 9.0            | 10.2           |
| 24     | Deferred Revenue (net)                           | 7.4             | 1.5            | 41.9                                     | (0.8)          | -              | -              | (91.7)                | (23.9)         | -                        | -              | (42.4)         | (23.2)         |
| 25     | Sale of Assets                                   | -               | -              | -  | -              | -              | -              | -                     | -              | -                        | -              | -              | -              |
| 26     | Investment impaired                              | -               | -              | 28.2                                     | -              | -              | -              | -                     | -              | -                        | -              | 28.2           | -              |

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

| S. No. | Particulars   | Holding company |                | Subsidiary & Fellow Subsidiary Companies |                | Joint ventures |                | Other related parties |                | Key Management personnel |                | Total          |                |
|--------|---|-----------------|----------------|--|----------------|----------------|----------------|-----------------------|----------------|--------------------------|----------------|----------------|----------------|
|        |   | March 31, 2022  | March 31, 2021 | March 31, 2022                           | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022        | March 31, 2021 | March 31, 2022           | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| 1      | Trade receivables (gross)                           | 99.8            | 1.3            | 538.1                                    | 63.7           | -              | -              | 72.6                  | 494.7          | -                        | -              | 710.5          | 559.7          |
| 2      | Trade payables                                      | 2.2             | 0.1            | 1.9                                      | 1.2            | -              | 0.1            | 1.4                   | 0.8            | -                        | -              | 5.5            | 2.2            |
| 3      | Creditors for capital goods                         | -               | -              | -  | -              | -              | -              | 10.2                  | 28.5           | -                        | -              | 10.2           | 28.5           |
| 4      | Security deposits (given)                           | -               | -              | -  | -              | -              | -              | 76.5                  | 75.1           | -                        | -              | 76.5           | 75.1           |
| 5      | Security deposits received                          | -               | -              | 41.9                                     | -              | -              | -              | -                     | 42.9           | -                        | -              | 41.9           | 42.9           |
| 6      | ICD payable   | 315.0           | 165.0          | 140.0                                    | -              | -              | -              | -                     | -              | -                        | -              | 455.0          | 165.0          |
| 7      | Interest accrued on ICD payable                     | 60.2            | 36.2           | 0.6                                      | -              | -              | -              | -                     | -              | -                        | -              | 60.8           | 36.2           |
| 8      | ICD receivable (excluding provision for impairment) | -               | -              | 291.0                                    | 119.5          | -              | -              | -                     | -              | -                        | -              | 291.0          | 119.5          |
| 9      | Interest accrued on ICD receivable                  | -               | -              | 15.6                                     | 8.9            | -              | -              | -                     | -              | -                        | -              | 15.6           | 8.9            |
| 10     | Investments (excluding provision for diminution)    | -               | -              | 158.1                                    | 138.9          | -              | -              | -                     | -              | -                        | -              | 158.1          | 138.9          |
| 11     | Advances recoverable                                | -               | -              | 1.2                                      | 1.8            | -              | -              | -                     | -              | -                        | -              | 2.5            | 6.1            |
| 12     | Advances from customers                             | 0.0             | -              | 0.3                                      | -              | -              | -              | 0.4                   | 0.5            | -                        | -              | 0.7            | 0.5            |
| 13     | Employee expenses payable                           | -               | -              | -  | -              | -              | -              | -                     | -              | 3.7                      | 6.3            | 3.7            | 6.3            |
| 14     | Employee expenses receivable                        | -               | -              | -  | -              | -              | -              | -                     | -              | 3.6                      | -              | 3.6            | -              |

Note (i): The Company has given letters of support to its subsidiaries, refer note 38 (i).

Note (ii): The Company has received letters of support from its parent Company, refer note 44.

**36. Segment Information:**

**Description of segments and principal activities**

The Company is primarily an IT and engineering design services Company with a global footprint providing consulting and outsourcing 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, who is responsible for allocating resources and assessing performance of the operating segments examines the Company's performance categorised in to following segments:

**Information about geographical areas:**

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

**i) Revenue from external customers**

|               | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
|---------------|-----------------------|-----------------------|
| India         | 1,815.8               | 1,194.6               |
| Outside India | 2,439.1               | 2,156.8               |
|               | <u>4,254.9</u>        | <u>3,351.4</u>        |

**ii) Segment Assets**

Total of non-current assets other than financial instruments, investment in subsidiaries and income tax assets broken down by location of the assets, is shown below:

|               | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
|---------------|-----------------------|-----------------------|
| India         | 1,391.3               | 1,351.5               |
| Outside India | -                     | -                     |
|               | <u>1,391.3</u>        | <u>1,351.5</u>        |

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

|     | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
|-----|-----------------------|-----------------------|
| Nil | -                     | -                     |

**37. 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 |
|---|----------------|----------------|
| <b>Current:</b>                                     |                |                |
| <b>First charge</b>                                 |                |                |
| Inventory   | 15.0           | 0.8            |
| Financial assets                                    |                |                |
| Trade receivables                                   | 914.4          | 610.4          |
| Cash and cash equivalents                           | 7.7            | 37.7           |
| Other bank balances                                 | 0.3            | 0.4            |
| Deposits  | 3.0            | 13.3           |
| Other financial assets                              | 107.5          | 59.6           |
| Other current assets                                | 221.5          | 146.2          |
| <b>Total current assets pledged as security</b>     | <b>1,269.4</b> | <b>868.4</b>   |
| <b>Non-current:</b>                                 |                |                |
| <b>First charge</b>                                 |                |                |
| Leasehold land                                      | 85.2           | 85.2           |
| Buildings   | 350.0          | 361.6          |
| Movable fixed assets                                | 195.1          | 180.1          |
| <b>Total non-current assets pledged as security</b> | <b>630.2</b>   | <b>626.9</b>   |
| <b>Total assets pledged as security</b>             | <b>1,899.6</b> | <b>1,495.3</b> |

**38. Capital and other commitments**

**(i) Letter of support**

The Company has given letters of support to following group companies to enable the said companies to continue their operations:

|   |
|---|
| <b>March 31, 2022</b>                               |
| a) Motherthon Auto Engineering Service Limited      |
| b) MotherthonSumi INFotech and Designs SG Pte. Ltd. |
| <b>March 31, 2021</b>                               |
| a) Motherthon Auto Engineering Service Limited      |
| b) MotherthonSumi INFotech and Designs SG Pte. Ltd. |

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

|   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| <b>Property, plant and equipment</b>                                      |                |                |
| Estimated value of contracts in capital account remaining to be executed. | 123.0          | 48.9           |
| <b>Total</b>  | <b>123.0</b>   | <b>48.9</b>    |
| <b>Other commitments</b>  |                |                |
| Bank guarantee  | 70.9           | 47.0           |
| <b>Total</b>  | <b>70.9</b>    | <b>47.0</b>    |

**39. Leases**

**As a lessee**

The company has lease contracts for various items of land, vehicles and building used in its operations. Leases of land generally have lease terms of 90 years, vehicles generally have lease terms of 4-5 years and other equipment generally have lease terms of 3-6 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.

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

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

| <b>Right-of-use assets</b>                      |                       |                  |                 |              |
|---|-----------------------|------------------|-----------------|--------------|
| <b>Particulars</b>                              | <b>Leasehold Land</b> | <b>Buildings</b> | <b>Vehicles</b> | <b>Total</b> |
| <b>Gross carrying amount</b>                    |                       |                  |                 |              |
| as at April 01, 2020                            | 569.1                 | 4.2              | 67.6            | 640.9        |
| Additions during the year*                      | 10.0                  | -                | -               | 10.0         |
| as at April 01, 2021                            | 579.1                 | 4.2              | 67.6            | 650.9        |
| Addition during the year*                       | -                     | -                | 16.1            | 16.1         |
| Disposals                                       | -                     | -                | -               | -            |
| as at March 31, 2022                            | 579.1                 | 4.2              | 83.7            | 667.0        |
| <b>Accumulated depreciation</b>                 |                       |                  |                 |              |
| as at April 01, 2020                            | 8.4                   | 2.1              | 17.0            | 27.5         |
| Depreciation charge during the year             | 6.5                   | 1.1              | 17.3            | 24.9         |
| as at April 01, 2021                            | 14.9                  | 3.2              | 34.3            | 52.4         |
| Depreciation charge during the year             | 6.6                   | 0.8              | 14.8            | 22.2         |
| as at March 31, 2022                            | 21.5                  | 4.0              | 49.1            | 74.6         |
|   | -                     | -                | -               | -            |
| <b>Net carrying amount as at March 31, 2022</b> | <b>557.6</b>          | <b>0.2</b>       | <b>34.7</b>     | <b>592.5</b> |
| <b>Net carrying amount as at March 31, 2021</b> | <b>564.2</b>          | <b>1.0</b>       | <b>33.3</b>     | <b>598.5</b> |

\* During the year ended March 31, 2022, the company has capitalised borrowing costs amounting to Nil as qualifying assets (March 31, 2021 amounting to 10.0 millions). Borrowing costs were capitalised at specific borrowing rate of 11%.

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

| <b>Lease liabilities</b>  |                       |                  |                 |              |
|---|-----------------------|------------------|-----------------|--------------|
| <b>Particulars</b>  | <b>Leasehold Land</b> | <b>Buildings</b> | <b>Vehicles</b> | <b>Total</b> |
| <b>Recognised as at April 01, 2020</b>                          | 262.9                 | 2.3              | 50.4            | 315.6        |
| Additions   | -                     | -                | -               | -            |
| Accretion of interest   | 25.7                  | 0.1              | 4.9             | 30.8         |
| Payments  | (74.3)                | (1.2)            | (18.6)          | (94.1)       |
| <b>Recognised as at April 01, 2021</b>                          | <b>214.4</b>          | <b>1.2</b>       | <b>36.7</b>     | <b>252.3</b> |
| Additions   | -                     | -                | 16.1            | 16.1         |
| Accretion of interest   | 20.3                  | 0.1              | 3.9             | 24.3         |
| Payments  | (74.3)                | (0.9)            | (18.7)          | (93.8)       |
| Other adjustments   | -                     | -                | -               | -            |
| <b>Lease liabilities as at March 31, 2022</b>                   | <b>160.5</b>          | <b>0.4</b>       | <b>38.0</b>     | <b>198.9</b> |
| <b>Classification of Lease liabilities as at March 31, 2022</b> |                       |                  |                 |              |
| Current   | 60.0                  | 0.2              | 15.6            | 75.8         |
| Non-current   | 100.5                 | 0.1              | 22.5            | 123.1        |
| <b>Classification of Lease liabilities as at March 31, 2021</b> |                       |                  |                 |              |
| Current   | 65.0                  | 0.6              | 11.9            | 77.6         |
| Non-current   | 149.4                 | 0.5              | 24.8            | 174.7        |

The company had total cash outflows for leases of INR 170.7 million in March 31, 2022 (includes cash outflows of INR 76.9 million relating to short term leases and low value assets) (March 31, 2021: INR 162.2 Million).

The maturity analysis of lease liabilities is disclosed in Note 33.  
The weighted average incremental borrowing rate applied to lease liabilities is 11.05%

c) The following are the amounts recognised in profit or loss:

|  |              |
|--|--------------|
| Depreciation expense of right-of-use assets                                  | 22.2         |
| Interest expense on lease liabilities* (Note 28)                             | 24.3         |
| Expense relating to short-term leases (included in other expenses) (Note 29) | 76.9         |
| <b>Total amount recognised in profit or loss</b>                             | <b>123.4</b> |

\* interest expense net of borrowing cost capitalised during the year March 31, 2022 of Nil (March 31, 2021: INR 10.0 million).

**40. Contingent liabilities:**

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

|   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|---|-----------------------|-----------------------|
| <b>Claims against the Company not acknowledged as debts</b> |                       |                       |
| Standby letter of credit                                    | 300.0                 | -                     |
| Income tax matters*   | 186.2                 | 114.9                 |
| Custom matter   | 1.5                   | 1.5                   |
| Sales tax matters   | 0.5                   | 0.5                   |

\*This includes transfer pricing matters amounting to INR 71.27 million pertaining to AY 2018-19 and INR 114.90 million pertaining to AY 2016-17 which is pending against CIT (Appeals), out of which INR 26.43 million is paid against protest.

**Notes:**

- (a) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (b) 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.

**41. Due to micro and small 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   | 21.3           | 33.5           |
| 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. Ratio analysis and its elements**

|     | Ratio                            | March 31, 2022 | March 31, 2021 | % Variance | Note reference |
|-----|----------------------------------|----------------|----------------|------------|----------------|
| (a) | Current ratio                    | 0.7            | 0.8            | -19.08%    | (a)            |
| (b) | Debt-Equity ratio                | 3.5            | 1.0            | 237.30%    | (b)            |
| (c) | Debt service coverage ratio      | 0.2            | 1.1            | -79.04%    | (c)            |
| (d) | Return on equity ratio           | (0.6)          | 0.1            | -674.51%   | (d)            |
| (e) | Inventory turnover ratio         | 38.6           | 236.3          | -83.65%    | (e)            |
| (f) | Trade receivables turnover ratio | 5.6            | 5.6            | -0.89%     | (f)            |
| (g) | Trade payables turnover ratio    | 7.5            | 5.5            | 35.65%     | (g)            |
| (h) | Net capital turnover ratio       | (10.9)         | (17.4)         | -37.28%    | (h)            |
| (i) | Net profit ratio                 | (0.1)          | 0.0            | -470.15%   | (i)            |
| (j) | Return on capital employed       | (0.2)          | 0.1            | -260.48%   | (j)            |
| (k) | Return on investment             | 0.1            | 0.1            | 80.42%     | (k)            |

(a) Current ratio  $\frac{\text{Current assets}}{\text{Current liability}}$

(b) Debt-Equity ratio  $\frac{\text{Total Debt (Long term borrowing, current maturities of long term borrowing and short term borrowing including Ind AS 116 liabilities)}}{\text{Equity attributable to equity share holder}}$

During the current year, Company has borrowed funds which led to an increase in ratio.

(c) Debt service coverage ratio  $\frac{\text{Net Profit/(loss) after taxes + Non-Cash operating expenses (including depreciation and amortization, Provision for doubtful debts / advances, Unrealised foreign exchange (gain) / loss (net)) + interest expenses + other adjustments like loss on sale of fixed assets}}{\text{Current maturities of long term borrowing, interest expense (except Ind AS 116 finance cost) and lease payment}}$

During the year, there were impairments recognised which results in negative EBITDA.

(d) Return on equity ratio  $\frac{\text{Profit/ (loss) for the year}}{\text{Average Equity attributable to equity share holder}}$

Due to negative PAT in FY 21-22 return on equity is negative.

(e) Inventory turnover ratio  $\frac{\text{Change in Inventory and Purchase of traded goods}}{\text{Average of opening and closing inventories}}$

Due to increase in closing inventory as compare to FY 20-21.

(f) Trade receivables turnover ratio  $\frac{\text{Revenue from contract with customers (excluding other operating revenue)}}{\text{Average Trade Receivables}}$

(g) Trade payables turnover ratio  $\frac{\text{Purchase of Stock-in- Trade and other expenses}}{\text{Average Trade Payable}}$

Due to increase in purchases and other expenses during the year.

(h) Net capital turnover ratio  $\frac{\text{Revenue from contract with customers (excluding other operating revenue)}}{\text{Average working capital [Current Assets less current liabilities (except current maturity of long term borrowings)']}}$

Due to increase in negative average working capital.

(i) Net profit ratio  $\frac{\text{Profit/ (loss) for the year}}{\text{Revenue from contract with customers (excluding other operating revenue)}}$

Due to loss incurred in FY 21-22 net profit ratio is negative.

(j) Return on capital employed  $\frac{\text{EBIT i.e Profit/ (loss) before tax + Finance cost}}{\text{Average capital employed (i.e. Tangible net worth, Total Debt and Deferred Tax Liab)}}$

Due to loss recognised in FY 21-22 ROCE is negative.

(k) Return on investment  $\frac{\text{Dividend Income, Interest Income and Fair Value Gain (loss)}}{\text{Investment}}$

Due to increase in interest income on additional ICD.

43. 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.

44. Owing to the growth plans envisaged by management, the board has approved the infusion of funds by way of equity amounting INR 2,000 million which will be utilised for construction of new building, capital expenditure, operation and to service debt obligation. The Company has received letter of support from its parent Company to enable it to continue its operations for managing working capital.

**45. 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 does 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 Beneficiaries) or
  - (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 Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company 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

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

**47. Standard issued but not yet effective**

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

As per our report on even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants  
Firm registration number: 301003E / E300005

**For and on behalf of the Board of Directors of**

**Motherson Technology Services Limited** (formerly known as MothersonSumi INFotech & Designs Limited)

**per Anil Mehta**  
Partner  
Membership No: 095812

**Laksh Vaaman Sehgal**  
Director  
DIN 00048584

**Lata Unnikrishnan**  
Director  
DIN 08391470

**Rajesh Thakur**  
Chief Executive Officer  
PAN ACSPT8411E

**Rajesh Srivastava**  
Chief Financial Officer  
PAN ADLPS2125A

Place: New Delhi

Place: Noida