SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514
Balance Sheet as on March 31, 2022 (All amounts in INR thousand, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	4,77,822	4,91,062
Capital work in progress	3B	3,776	5,746
Right of Use assets	3C	3,32,464	3,71,855
Intangible assets	4	1,660	2,124
Financial assets			
i. Loans	10	1,147	1,984
ii. Other financial assets	5	25,117	26,185
Other non-current assets	6	1,20,242	1,22,358
Total non-current assets		**9,62,228**	**10,21,314**
Current assets			
Inventories	7	1,06,340	76,015
Financial assets			
i. Trade receivables	8	1,22,366	1,08,923
ii. Cash and cash equivalents	9	119	2,395
iii. Loans	10	804	804
iv. Other financial assets	5	450	1,200
Current tax assets(net)	11	545	319
Other current assets	12	22,544	26,665
Total current assets		**2,53,168**	**2,16,321**
Total assets		**12,15,396**	**12,37,635**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,90,000	90,000
Other equity			
Reserves and surplus	14	(8,37,286)	(5,75,632)
Total equity		**(5,47,286)**	**(4,85,632)**
Liabilities			
Non current liabilities			
Financial Liabilities			
Borrowings	15	4,59,441	4,52,851
Lease Liabilities	16	3,49,350	3,60,188
Provision for employee benefit obligations	17	9,924	7,562
Deferred tax liabilities (net)	18	-	-
Total non-current liabilities		**8,18,715**	**8,20,600**
Current liabilities			
Financial Liabilities			
i. Borrowings	19	6,98,588	7,27,419
ii. Trade payables	20		
Total outstanding dues of micro and small enterprises		5,427	2,297
Total outstanding dues of creditors other than micro and small enterprises		1,23,774	96,969
iii. Other financial liabilities	21	70,319	20,536
Lease Liabilities	22	14,406	16,208
Provision for employee benefit obligations	17	440	316
Other current liabilities	23	31,013	38,922
Total current liabilities		**9,43,967**	**9,02,667**
Total liabilities		**17,62,682**	**17,23,267**
Total equity and liabilities		**12,15,396**	**12,37,635**

Summary of significant accounting policies **2**
The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board

As per our report attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

JITENDER MAHAJAN Digitally signed by JITENDER MAHAJAN Date: 2022.05.11 17:10:44 +05'30'
Jitender Mahajan
Director
DIN-06755332

ASHOK TANDON Digitally signed by ASHOK TANDON Date: 2022.05.11 17:03:55 +05'30'
Ashok Tandon
Director
DIN-00032733

VIPIN BALI Digitally signed by VIPIN BALI Date: 2022.05.11 18:39:20 +05'30'
Vipin Bali
Partner
M.No. 083436
Place :
Date :

GEETIKA MISHRA Digitally signed by GEETIKA MISHRA
Geetika Mishra
Manager and Chief Operating Officer
PAN-AGXPG6114A
Place : Rewari

KAPIL KHATTAR Digitally signed by KAPIL KHATTAR
Kapil Khattar
Chief Financial Officer
PAN-APOPM1510Q

MAYANK Digitally signed by MAYANK
Mayank Chaudhary
Company Secretary
PAN-CMEPM9579C

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514

Statement of Profit and Loss for the year ended March 31, 2022 (All amounts in INR thousand, unless otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue			
Revenue from operations	24	8,81,182	5,92,411
Other income	25	6,041	4,931
Total income		**8,87,223**	**5,97,342**
Expenses			
Cost of materials consumed	26	5,24,985	3,08,085
Cost of components	27	41,732	19,445
Changes in inventory of finished goods and work-in-progress	28	(23,502)	(13,925)
Employee benefit expenses	29	1,16,532	1,07,509
Finance costs	30	1,26,672	82,435
Depreciation and amortization expense	31	1,42,676	91,223
Other expenses	32	2,24,367	1,97,167
Total expenses		**11,53,462**	**7,91,939**
Profit/(loss) before tax		**(2,66,239)**	**(1,94,597)**
Tax expenses	33		
-Current tax		-	-
-Deferred tax expense/ (credit)		-	-
Total tax expense		**-**	**-**
Profit/(loss) for the year		**(2,66,239)**	**(1,94,597)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations - gain/(loss)		563	607
Other comprehensive income for the year, net of tax		**563**	**607**
Total comprehensive income for the year		**(2,65,676)**	**(1,93,990)**
Basic earnings/ (loss) per equity share	34		
Nominal value per share: INR 10 (Previous year : INR 10)			
Basic		(9.18)	(21.62)
Summary of significant accounting policies	2		

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

For and on behalf of the Board

As per our report attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

VIPIN BALI Digitally signed by VIPIN BALI Date: 2022.05.11 18:40:03 +05'30'

JITENDER MAHAJAN Digitally signed by JITENDER MAHAJAN Date: 2022.05.11 17:10:13 +05'30'

ASHOK TANDON Digitally signed by ASHOK TANDON Date: 2022.05.11 17:04:27 +05'30'

Jitender Mahajan
Director
DIN-06755332

Ashok Tandon
Director
DIN-00032733

Vipin Bali
Partner
M.No. 083436

Place :
Date :

GEETIKA MISHRA

KAPIL KHATTAR

MAYANK

Geetika Mishra
Manager and Chief Operating Officer
PAN-AGXPG6114A
Place: Rewari

Kapil Khattar
Chief Financial Officer
PAN-APOPM1510Q

Mayank Chaudhary
Company Secretary
PAN-CMEPM9579C

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514
Cash Flow Statement for the period ended March 31, 2022 (All amounts in INR thousand, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities:		
Net profit/(loss) before tax	(2,66,240)	(1,94,596)
Adjustments for:		
Depreciation & Amortisation	1,42,676	91,222
(Gain)/Loss on disposal of property, plant & equipment (net)	(8)	-
Lease liabilities no longer required written back	(165)	(20)
Interest income	(1,756)	(696)
Finance costs	1,26,672	82,435
Employee benefit provisions	3,048	497
Realised foreign exchange (gain)/loss (net)	(399)	(2,772)
Unrealised foreign exchange (gain)/loss (net)	(119)	-
Operating profit/(loss) before working capital changes	**3,711**	**(23,931)**
Changes in working capital:		
Increase/(decrease) in trade payables	30,453	33,877
Increase/(decrease) in other financial liabilities	41,874	74,992
(Increase)/decrease in trade receivables	(13,442)	(16,527)
(Increase)/decrease in inventories	(30,325)	(28,686)
(Increase)/decrease in other financial assets	1,904	(19,651)
(Increase)/decrease in other current assets	4,871	(14,550)
(Increase)/decrease in other non current assets	2,115	(23,667)
Cash used in operations	**41,162**	**(18,143)**
- Taxes paid	(503)	(298)
- Refund received	276	42
- Interest on Income Tax refund	17	3
Net cash used in operations	**40,952**	**(18,397)**
B. Cash flow from Investing activities:		
Payments for property, plant & equipment and intangible assets	(89,945)	(2,03,455)
Proceeds from sale of property, plant & equipment	2,886	-
Interest received	1,739	693
Net cash used in investing activities	**(85,320)**	**(2,02,761)**
C. Cash flow from financing activities:		
Interest paid	(94,665)	(76,334)
Proceeds from long term borrowings	10,608	1,52,234
Repayment of lease liability	(45,021)	(18,934)
Proceeds/(repayment) of short term borrowings (net)	(28,831)	1,64,643
Proceeds from issue of share capital	2,00,000	-
Net cash from financing activities	**42,091**	**2,21,610**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(2,276)**	**451**
Net Cash and Cash equivalents at the beginning of the year	**2,395**	1,944
Cash and cash equivalents as at current year closing	**119**	2,395
Cash and cash equivalents comprise of the following (note 9)		-
Balances with banks	119	2,395
Cash and cash equivalent as per Balance Sheet	**119**	**2,395**

Notes:

i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS-7,"Statement of Cash Flows".
ii) Figures in brackets indicate Cash Outflow.
iii) The above cash flow statement should be read in conjunction with the accompanying notes

For and on behalf of the Board

As per our report attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

JITENDER MAHAJAN Digitally signed by JITENDER MAHAJAN Date: 2022.05.11 17:09:42 +05'30'
Jitender Mahajan
Director
DIN-06755332

ASHOK TANDON Digitally signed by ASHOK TANDON Date: 2022.05.11 17:04:57 +05'30'
Ashok Tandon
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VIPIN BALI Digitally signed by VIPIN BALI Date: 2022.05.11 18:40:22 +05'30'
Vipin Bali
Partner
M.No. 083436
Place :
Date :

GEETIKA MISHRA
Geetika Mishra
Manager and Chief Operating Officer
PAN-AGXPG6114A
Place: Rewari

KAPIL KHATTAR
Kapil Khattar
Chief Financial Officer
PAN-APOPM1510Q

MAYANK
Mayank Chaudhary
Company Secretary
PAN-CMEPM9579C

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514
Statement of Changes in Equity for the period ended March 31, 2022

(All amounts in INR thousand, unless otherwise stated)

A. Equity Share Capital

1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
90,000	-	90,000	2,00,000	2,90,000

2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
90,000	-	90,000	-	90,000

Other Equity

1) Current reporting period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Total
			Capital Reserve	Securities Premium	Retained Earnings	Other Reserve (Equity contribution from holding company)	
Balance at the beginning of the current reporting period	-	-	-	-	(5,88,129)	12,497	**(5,75,632)**
Changes in accounting policy or prior period errors	-	-	-	-	-		**-**
Restated balance at the beginning of the current reporting period	-	-	-	-	**(5,88,129)**	**12,497**	**(5,75,632)**
Total Comprehensive Income for the current year	-	-	-	-	(5,88,129)	12,497	**(5,75,632)**
Dividends	-	-	-	-			**-**
Transfer to retained earnings	-	-	-	-	(2,66,239)	4,022	**(2,62,217)**
Any other change (Ind As - OCI Movement - Net Deferred Benefit Plans)	-	-	-	-	563		**563**
Balance at the end of the current reporting period	-	-	-	-	**(8,53,805)**	**16,519**	**(8,37,286)**

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514
Statement of Changes in Equity for the period ended March 31, 2022

(All amounts in INR thousand, unless otherwise stated)

2) Previous reporting period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Total
			Capital Reserve	Securities Premium	Retained Earnings	Other Reserve (Equity contribution from holding company)	
Balance at the beginning of the current reporting period	-	-	-	-	(3,94,140)	9,343	**(3,84,797)**
Changes in accounting policy or prior period errors	-	-	-	-	-		-
Restated balance at the beginning of the current reporting period	-	-	-	-	**(3,94,140)**	**9,343**	**(3,84,797)**
Total Comprehensive Income for the current year	-	-	-	-	(3,94,140)	9,343	**(3,84,797)**
Dividends	-	-	-	-			-
Transfer to retained earnings	-	-	-	-	(1,94,596)	3,154	**(1,91,441)**
Any other change (Ind As - OCI Movement - Net Deferred Benefit Plans)	-	-	-	-	607		**607**
Balance at the end of the current reporting period	-	-	-	-	**(5,88,129)**	**12,497**	**(5,75,632)**

For and on behalf of the Board

JITENDER MAHAJAN Digitally signed by JITENDER MAHAJAN Date: 2022.05.11 17:08:47 +05'30'

Jitender Mahajan
Director
DIN-06755332

ASHOK TANDON Digitally signed by ASHOK TANDON Date: 2022.05.11 17:05:26 +05'30'

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Vipin Bali
Partner
M.No. 083436
Place :
Date :

GEETIKA MISHRA Digitally signed by GEETIKA MISHRA Date: 2022.05.11 16:34:25 +05'30'

Geetika Mishra
Maanager and Chief Operating Officer
PAN-AGXPG6114A
Place : Rewari

KAPIL KHATTAR Digitally signed by KAPIL KHATTAR Date: 2022.05.11 16:41:07 +05'30'

Kapil Khattar
Chief Financial Officer
PAN-APOPM1510Q

MAYANK Digitally signed by MAYANK Date: 2022.05.11 18:27:58 +05'30'

Mayank Chaudhary
Company Secretary
PAN-CMEPM9579C

(All amounts in INR thousand, unless otherwise stated)

1. General information

Samvardhana Motherson Auto Component Private Limited was incorporated in India on December 23, 2014 to engage in business of manufacturing and selling of automobile parts. The registered office of the company is situated at 2nd floor, F-7 Block B-1, Mohan Cooperative Industrial Estate Mathura Road Delhi-110044 and its plants situated at IMT Bawal, Rewari, Haryana-123501.

The company was the subsidiary of Samvardhana Motherson International Limited (SAMIL) which held 2,90,00,000 equity shares (including 10 equity shares held by nominees) aggregating to 100% shareholding of the company. The Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated December 22, 2021 sanctioned the composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (MSSL) and SAMIL resulting in merger of SAMIL with MSSL. The appointed and effective date of the merger is January 21, 2022. Accordingly, 2,90,00,000 equity shares (including 10 equity shares held by nominees) held by SAMIL in the company stand transferred to MSSL on 21 January 2022 which then becomes the company's holding company w.e.f 21 January 2022. Also, nominees holding 10 equity shares become nominees of MSSL w.e.f the said date.

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).

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

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

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

b. Presentation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).
Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following.

(i) The normal course of business
(ii) The event of default
(iii) The event of insolvency or bankruptcy of the company and/or its counterparties

Summary of significant accounting policies

c. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

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

(All amounts in INR thousand, unless otherwise stated)

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

d. Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVOCI are recognized in other comprehensive income.

e. Revenue recognition and Other income

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

***Step 1.* Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

***Step 2.* Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service or both to the customer.

***Step 3.* Determine the transaction price:** The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services or both to a customer, excluding amounts collected on behalf of third parties.

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

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

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

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

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the company satisfies a performance obligation by delivering the promised goods or services or both it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.
Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably.

Sales of Goods:
Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer as per the terms of contract.

Sales of Services:

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

Duty drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

f. Income tax

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

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

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

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

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

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

g. Leases – Ind AS 116

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

As a Lessee

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

i) Right-of-use assets

The company 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 re-measurement 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:

Assets	Lease Period
Building	0-10 Years
Motor Vehicles	0-5 Years
Plant & Machinery	0-7 Years

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

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

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

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

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

- Quantitative disclosures and other disclosures are in **(note 45)**

As a Lessor
Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with

expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

h. Impairment of non-financial assets

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

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

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

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

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

i. Cash and cash equivalents

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

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

j. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortized cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
  This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

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

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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

Debt instrument at FVPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVPL.
Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.
  Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortized cost is recognized in other comprehensive income as the 'accumulated impairment amount'.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

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

This category generally applies to borrowings and other payables.

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

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

Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate,

index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their Economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in statement of profit and loss, unless designated as effective hedging instruments.

Off- setting of financial instruments

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

k. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

I. Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized 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 recognized in profit or loss as incurred.

(All amounts in INR thousand, unless otherwise stated)

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as on April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation methods and useful lives

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

Assets	Useful lives (years)*
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Plant & Machinery:	
Plant & Machinery	7.5 years
Die & Moulds	6.17 years
Electric installation	10 years
Furniture & fixtures	6 years
Office equipment	5 years
Computers	3 years

*Useful life of these assets are lower than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

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

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

m. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful live of intangible assets are as follows:

Assets	Useful life
Software	3 years
Technical knowhow fees	4 years

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as on April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

n. Inventories

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

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

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

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

o. Provisions and contingent liabilities

Provisions

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

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

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

p. Employee benefits

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

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

Gratuity

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

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement 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 recognized immediately in income.

Compensated Absences

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

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

q. Earnings per share

(i) Basic earnings per share

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

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

(ii) Diluted earnings per share

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

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

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

2.2 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Estimates and assumptions

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

(i) Useful life of property, plant and equipment

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

(ii) Defined benefit plans

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

Further details about gratuity obligations are given in **Note 17**.

(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.

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514
Notes to the financial statements for the period ended March 31, 2022

(All amounts in INR thousand, unless otherwise stated)

3A. Property, plant and equipment

	Leasehold Improvements	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Total	Capital work-in-progress
Year ended March 31, 2021							
Gross carrying amount							
Gross carrying amount as at April 01,2020	16,900	4,76,441	1,527	1,146	3,033	**4,99,048**	18,140
Additions	62,532	1,42,575	2,706	3,555	2,563	**2,13,930**	5,746
Disposals						-	18,140
Closing gross carrying amount as at March 31,2021	**79,432**	**6,19,016**	**4,233**	**4,701**	**5,595**	**7,12,978**	**5,746**
Accumulated depreciation							
Accumulated depreciation as at April 01,2020	16,233	1,31,259	789	645	2,203	**1,51,128**	-
Depreciation charge during the year	482	69,183	312	250	561	**70,787**	
Disposals						-	
Closing accumulated depreciation as at March 31,2021	**16,715**	**2,00,441**	**1,101**	**895**	**2,764**	**2,21,916**	**-**
Net carrying amount as at March 31,2021	**62,717**	**4,18,575**	**3,132**	**3,806**	**2,832**	**4,91,062**	**5,746**
Period ended March 31, 2022							
Gross carrying amount							
Gross carrying amount as at April 01, 2021	**79,432**	**6,19,016**	**4,233**	**4,701**	**5,595**	**7,12,978**	**5,746**
Additions	**15,420**	**72,618**	**86**	**2,617**	**626**	**91,367**	**3,776**
Disposals		**858**	**-**	**-**	**100**	**958**	**5,746**
Other adjustments (refer note iv)		**345**	**28**	**1,569**	**2,030**	**3,973**	
Closing gross carrying amount as at March 31,2022	**94,852**	**6,90,430**	**4,292**	**5,749**	**4,092**	**7,99,414**	**3,776**
Accumulated depreciation							
Accumulated depreciation as at April 01, 2021	**16,715**	**2,00,441**	**1,101**	**895**	**2,764**	**2,21,916**	**-**
Depreciation charge during the year	**6,747**	**92,016**	**707**	**1,041**	**1,218**	**1,01,729**	
Disposals		**527**	**-**	**-**	**34**	**560**	
Other adjustments (refer note iv)		**345**	**8**	**126**	**1,013**	**1,493**	
Closing accumulated depreciation as at March 31,2022	**23,462**	**2,91,586**	**1,801**	**1,809**	**2,935**	**3,21,593**	**-**
Net carrying amount as at March 31,2022	**71,390**	**3,98,845**	**2,491**	**3,940**	**1,156**	**4,77,822**	**3,776**

Notes

i. Contractual obligations: Refer note 41 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

ii. Refer note 40 for information on property, plant and equipments hypothecated as security by the company.

iii. Capital work in progress mainly comprises plant and machinery and Leasehold improvement refer note 3B

iv.Other adjustments are on account of some assets that were destroyed in a fire on 17th March 2022. The WDV of these assets is INR 2480 thousand for which an insurance claim has been filed and the same has been recognised in the books of account.

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514
Notes to the financial statements for the period ended March 31, 2022

(All amounts in INR thousand, unless otherwise stated)

3B. CWIP completion schedule
As at 31st March 2022

Capital work in progress	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
Leasehold Improvements	1,649	-	-	-
Plant & Machinery	2,126	-	-	-
Total	**3,776**	-	-	-

As at 31st March 2021

Capital work in progress	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
Plant & Machinery	5,746	-	-	-
Total	**5,746**	**-**	**-**	**-**

3C. Right of use assets

Particulars	Buildings	Plant & Machinery	Vehicles	Total
Year ended March 31, 2021				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2020	12,604	4,890	1,604	19,097
Adjustment in opening balance on account of Ind AS 116	-	-	-	
Addition during the year	3,73,847	-	3,460	3,77,307
Disposal during the year	-	-	437	437
Other adjustment	-	-	-	-
Closing gross carrying amount as at March 31, 2021	**3,86,451**	**4,890**	**4,627**	**3,95,967**
Accumulated depreciation				
Opening accumulated depreciation as at April 01, 2020	5,602	1,365	487	**7,453**
Depreciation charge during the year	14,948	1,365	487	**16,799**
Disposals	-	-	140	**140**
Closing accumulated depreciation as at March 31, 2021	**20,550**	**2,729**	**833**	**24,112**
Net carrying amount as at March 31, 2021	**3,65,901**	**2,161**	**3,794**	**3,71,855**
Period ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2021	3,86,451	4,890	4,627	3,95,967
Adjustment in opening balance on account of Ind AS 116				-
Addition during the year			1,939	1,939
Disposal during the year	12,604			12,604
Other adjustment				
Closing gross carrying amount as at March 31, 2022	**3,73,847**	**4,890**	**6,566**	**3,85,303**
Accumulated depreciation				
Opening accumulated depreciation as at April 01, 2021	20,550	2,729	833	**24,112**
Depreciation charge during the year	37,385	1,365	1,181	**39,930**
Disposals	11,204			**11,204**
Closing accumulated depreciation as at March 31,2022	**46,731**	**4,094**	**2,014**	**52,838**
Net carrying amount as at March 31, 2022	**3,27,116**	**796**	**4,552**	**3,32,464**

(All amounts in INR thousand, unless otherwise stated)

4. Intangible assets

Particulars	Technical Knowhow Fees	Software	Total
Year ended March 31, 2021			
Gross carrying amount			
Gross carrying amount as at April 01, 2020	14,046	6,519	20,565
Additions	-	1,918	1,918
Disposals	-	-	-
Gross carrying amount as at March 31, 2021	**14,046**	**8,437**	**22,483**
Accumulated amortisation			
Accumulated amortisation as at April 01, 2020	10,987	5,736	16,724
Amortisation charge during the year	3,058	577	3,635
Disposals	-	-	-
Accumulated amortisation as at March 31, 2021	**14,046**	**6,313**	**20,359**
Net carrying amount as at March 31, 2021	**(0)**	**2,124**	**2,124**
Period ended March 31, 2022			
Gross carrying amount			
Gross carrying amount as at April 01, 2021	14,046	8,437	22,483
Additions	-	550	550
Disposals	-	-	-
Closing gross carrying amount as at March 31,2022	**14,046**	**8,988**	**23,033**
Accumulated amortisation			
Accumulated amortisation as at April 01, 2021	14,046	6,313	20,359
Amortisation charge during the year	-	1,015	1,015
Disposals			
Closing accumulated depreciation as at March 31,2022	**14,046**	**7,328**	**21,374**
Net carrying amount as at March 31,2022	**(0)**	**1,660**	**1,660**

(All amounts in INR thousand, unless otherwise stated)

5. Other financial assets

(Unsecured, considered good, unless otherwise stated)	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Security deposits	450	25,117	1,200	26,185
Total	**450**	**25,117**	**1,200**	**26,185**

6. Other non-current assets

(Unsecured, considered good, unless otherwise stated)	March 31, 2022	March 31, 2021
Prepaid expenses	21,034	23,103
Balances with government authorities	99,208	99,255
Total	**1,20,242**	**1,22,358**

7. Inventories

	March 31, 2022	March 31, 2021
Raw materials	5,664	3,678
Work-in-progress	17,607	11,685
Finished goods	51,903	34,323
Components, Dies and Moulds	5,594	5,648
Stores and spares	25,572	20,680
Total	**1,06,340**	**76,015**
Inventory include inventory in transit (Sales):		
Finished goods	27,441	27,186

Refer Note no 2.1(n) for valuation of inventory

8. Trade receivables

(Unsecured, considered good, unless otherwise stated)	March 31, 2022	March 31, 2021
-Related parties (refer note 38)	26,808	31,688
-Others	95,557	77,235
-Credit impaired	-	-
	1,22,366	**1,08,923**
Less: Allowances for credit impaired	-	-
Total	**1,22,366**	**1,08,923**

Trade Receivables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- considered good	-	-	-	-	-	-
-Related parties	26,808	-	-	-	-	26,808
-Others	95,557	-	-	-	-	95,557
- Which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired		-	-	-	-	-
Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**1,22,366**	**-**	**-**	**-**	**-**	**1,22,366**

Trade Receivables ageing schedule as at 31st March 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- considered good	-	-	-	-	-	-
-Related parties	31,688	-	-	-	-	31,688
-Others	77,235	-	-	-	-	77,235
- Which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**1,08,923**	**-**	**-**	**-**	**-**	**1,08,923**

(All amounts in INR thousand, unless otherwise stated)

9 Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with banks:		
Current accounts	119	2,395
Total	**119**	**2,395**

10 Loans

(Unsecured, considered good, unless otherwise stated)	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Loans to employees	804	1,147	804	1,984
Total	**804**	**1,147**	**804**	**1,984**

Disclosure of loans	March 31, 2022		March 31, 2021	
Type of Borrower	loan outstanding	Percentage to the total loans	Amount of loan outstanding	Percentage to the total loans
KMP	**1,952**	100%	**2,788**	100%
Total	**1,952**	**100%**	**2,788**	**100%**

11 Current tax assets (net)	March 31, 2022	March 31, 2021
Opening balance	**319**	**63**
Add: Taxes paid	503	298
Less: Refund received	(276)	(42)
Closing balance	**545**	**319**

12. Other current assets

(Unsecured, considered good, unless otherwise stated)	March 31, 2022	March 31, 2021
Advance to suppliers	4,276	8,933
Insurance Claim Receivable	2,480	-
Advance to employees	610	137
Prepaid expenses	4,648	6,847
Balances with government authorities	7,784	10,748
Capital advances	2,745	-
Total	**22,544**	**26,665**

(All amounts in INR thousand, unless otherwise stated)

13. Share Capital	**March 31, 2022**	**March 31, 2021**
Authorised:		
30,000,000 (March 31, 2021: 1,00,00,000) equity shares of INR 10 each	3,00,000	1,00,000
Issued, Subscribed and Paid up:		
29,000,000 (March 31, 2021: 9,000,000) equity shares of INR 10 each, fully paid-up	2,90,000	90,000

a. Movement in equity share capital

	Numbers	**Amount**
As at April 01, 2020	9000000	90,000
Issued during the year	-	-
As at March 31, 2021	9000000	90,000
Issued during the year	20000000	2,00,000
As at March 31, 2022	**29000000**	**2,90,000**

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity is entitled to one vote per share held.

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

The Company has increased the authorized share capital by INR 2,00,000 thousand (2,00,00,000 equity shares of INR 10 each) during the current year. Subsequently, the Company has issued 20,000,000 equity shares of INR 10 each to existing equity shareholders through a rights issue in September 2021.

c. Details of Promoters Shareholding

Share helds by promoters at the end of the year (FY 2021-22)				**% change during the year**
Sr No	**Promoters Name**	**No of Shares**	**% of total Shares**	
1	Motherson Sumi Systems Limited (w.e.f 21st January 2022)*	29000000	100%	100%
2	Samvardhana Motherson International Limited(till 20th January 2022)*	29000000	100%	-100%

Share helds by promoters at the end of the year (FY 2020-21)				**% change during the year**
Sr No	**Promoters Name**	**No of Shares**	**% of total Shares**	
1	Samvardhana Motherson International Limited*	9000000	100%	0%

*including 10 shares held by nominees

Up to 20 January 2022, Samvardhana Motherson International Limited (SAMIL) held 2,90,00,000 equity shares (including 10 equity shares held by nominees) of the company aggregating to 100% shareholding of the company. The Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated December 22, 2021 sanctioned the composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (MSSL) and SAMIL resulting in merger of SAMIL with MSSL. The appointed and effective date of the merger is January 21, 2022. Accordingly, 2,90,00,000 equity shares (including 10 equity shares held by nominees) held by SAMIL in the company stand transferred to MSSL on 21 January 2022 which then becomes the company's holding company w.e.f 21 January 2022.

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.

14 Reserves and surplus

	March 31, 2022	**March 31, 2021**
Retained earnings	(8,53,805)	(5,88,129)
Equity contribution from holding company	16,519	12,497
Total reserves and surplus	**(8,37,286)**	**(5,75,632)**

(i) Retained earnings

	March 31, 2022	**March 31, 2021**
Opening balance	(5,88,129)	(3,94,141)
Additions during the year	(2,66,239)	(1,94,596)
Remeasurements of post-employment benefit obligation, net of tax	563	607
Closing balance	**(8,53,805)**	**(5,88,129)**

(ii) Equity contribution from holding Company

	March 31, 2022	**March 31, 2021**
Opening balance	12,497	9,343
Additions during the year	4,022	3,154
Reversals during the year	-	-
Closing balance	**16,519**	**12,497**

(All amounts in INR thousand, unless otherwise stated)

15 Non-current borrowings

	Non Current Portion		Current Maturities	
	March 31, 2022		March 31, 2022	
Secured				
Term loans				
Indian rupee loan from Kotak Mahindra Bank*	4,05,649	3,74,951	1,17,264	1,07,264
Less : Disclosed under Current borrowings (refer note 19)	-	-	(1,17,264)	(1,07,264)
Working Capital Term Loan				
Indian rupee loan from Kotak Mahindra Bank#	53,792	77,900	24,108	-
Less : Disclosed under Current borrowings (refer note 19)		-	(24,108)	
Total	**4,59,441**	**4,52,851**	**-**	**-**

Secured loans

Nature of security

*1-First and exclusive charge on all existing and future movable fixed assets of the company (refer note 40)
*2-Corporate guarantee of the holding company
#3- Second charge on all existing and future movable fixed assets of the company (refer note 40)

* INR 5,31,792 thousand (March 31, 2021 INR 4,89,055 thousand) having tenor of 6 years at the rate of 7.07 % p.a. repayable in 18 equal quarterly instalments starting from October 2020 ending in January 2025.
# INR 7,79,00 thousand having tenor of 4 years at the rate of 7.20% p.a repayable in 36 equal monthly instalments starting from April 2022 ending in March 2025
For both the loans as mentioned above interest rate shall be floating for the entire loan tenure and is linked to 6M MCLR

Credit facilities sanctioned by Kotak Mahindra Bank

Facility	Sanctioned		Utilised	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Term Loan	6,80,000	5,30,000	5,31,792	4,89,055
Working Capital Term Loan	77,900	77,900	77,900	77,900
Cash Credit for working capital	80,000	50,000	41,716	18,655
Letters of credit	50,000	20,000	-	-
Bank Guarantees	50,000	20,000	-	-
Total	**9,37,900**	**6,97,900**	**6,51,407**	**5,85,610**

The quarterly returns filed by the company with banks are in agreement with the books

16 Non-current Lease liabilities

	March 31, 2022	March 31, 2021
Building	3,45,731	3,56,311
Plant & Machinery	-	896
Vehicles	3,620	2,981
TOTAL	**3,49,351**	**3,60,188**

(All amounts in INR thousand, unless otherwise stated)

17. Provision for employee benefit obligations

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity	195	6,675	148	5,369
Leave Encashment	245	3,249	168	2,193
Total	**440**	**9,924**	**316**	**7,562**

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

A. Defined Benefit Schemes

Gratuity

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

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

i) Present Value of Defined Benefit Obligation

	For the year ended	
	March 31, 2022	March 31, 2021
Obligations at year beginning	5,517	5,421
Service Cost - Current	1,535	1,506
Interest expense	381	361
Amount recognised in profit or loss	**1,916**	**1,867**
Remeasurements		
Experience (gains)/losses	(563)	(607)
Amount recognised in other comprehensive income	**(563)**	**(607)**
Effect of Exchange rate change		
Benefit payments	-	-
Addition due to transfer of employees	-	(1,164)
Obligations at year end	**6,870**	**5,517**

ii) Assets and Liabilities recognized in the Balance Sheet

	For the year ended	
	March 31, 2022	March 31, 2021
Present Value of the defined benefit obligations	6,870	5,517
Fair value of the plan assets	-	-
Amount recognized as Liability	**6,870**	**5,517**

iii) Defined benefit obligations cost for the year:

	For the year ended	
	March 31, 2022	March 31, 2021
Service Cost - Current	1,535	1,506
Interest Cost	381	361
Actuarial (gain) / loss	(563)	(607)
Net defined benefit obligations cost	**1,353**	**1,260**

iv) Actuarial assumptions:

	March 31, 2022	March 31, 2021
Discount Rate per annum	7.2%	6.9%
Future salary increases	8.0%	8.0%

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

v) Sensitivity Analysis

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

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount Rate per annum	0.50%	0.50%	Decrease by	455	375	Increase by	497	410
Future salary increases	1.0%	1.0%	Increase by	1,023	842	Decrease by	873	717

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

vi) Risk exposure

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

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

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

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

(All amounts in INR thousand, unless otherwise stated)

vii) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 12 years (March 31, 2021: 14 years)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2022					
Defined benefit obligation (gratuity)	202	185	1,155	3,733	**5,275**
March 31, 2021	153	195	894	2,988	**4,230**
Defined benefit obligation (gratuity)					

B. Defined Contribution Schemes

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

Amount recognised in the Statement of Profit & Loss is as follows (Refer note 29):

	For the year ended	
	March 31, 2022	**March 31, 2021**
Provident fund paid to the authorities	3,917	3,359
Employee state insurance paid to the authorities	300	297
	4,218	**3,656**

(All amounts in INR thousand, unless otherwise stated)

18. Deferred tax liabilites/(assets) (net)

Period ended March 31, 2022	As at April 01, 2021	Charge/ (credit) to Statement of Profit and Loss #	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2022
Borrowings	928	(499)			429
Total deferred tax liabilities	**928**	**(499)**	**-**	**-**	**429**
Set-off of deferred tax assets pursuant to set-off provisions					
Employee benefit provisions	2,136	767	-	-	2,903
Property, plant and equipment and intangible assets	3,537	5,132	-	-	8,669
Carried forward business losses	76,121	32,486	-	-	32,486
Unabsorbed depreciation	59,399	20,724			80,124
Interest Free Security Deposits (Prepaid Rent)	(5,894)	598			(5,296)
Interest on Unwinding - Security Deposits	5,962	(391)	-	-	5,572
Others	1,143	6,733			7,876
Total deferred tax assets	**1,42,404**	**66,050**	**-**	**-**	**1,32,333**
Net deferred tax liability/(assets) (net)	**1,41,476**	**66,550**	**-**	**-**	**1,31,905**
Less: Unrecognised Deferred Tax assets #	**(1,41,476)**	**(66,550)**	**-**	**-**	**(1,31,905)**
Net deferred tax Assets	-	-	-	-	-

In the view of restructuring that has taken place within the Group resulting in change in shareholding of the company, deferred tax assets on carry forward of business losses till 31-03-2021 amounting to INR 76,121 thousand have not been recognised as these losses are not available to company any more pursuant to section 79 of Income Tax Act, 1961. Also deferred tax asset on carry forward loss for the year has not been recognised due to absence of virtual certainity of sufficient future taxable profits to realise the same.

Period ended March 31, 2021	As at April 01, 2020	Charge/ (credit) to Statement of Profit and Loss #	Charge/(credit) to other comprehensive income	MAT credit utilised	As at March 31, 2021
Property, plant and equipment and intangible assets	14,693	(18,230)			(3,537)
Borrowings	1,374	(446)			928
Total deferred tax liabilities	**16,067**	**(18,676)**	**-**	**-**	**(2,609)**
Set-off of deferred tax assets pursuant to set-off provisions					
Employee benefit provisions	2,077	59	-		2,136
Carried forward business losses	36,116	40,005			76,121
Unabsorbed depreciation	46,305	13,095			59,399
Interest Free Security Deposits (Prepaid Rent)	(96)	(5,798)			(5,894)
Interest on Unwinding - Security Deposits	101	5,862			5,962
Others	154	988			1,143
Total deferred tax assets	**84,657**	**54,211**	**-**	**-**	**1,38,867**
Net deferred tax liability/(assets)	**(68,589)**	**72,887**	**-**	**-**	**(1,41,476)**
Less: Unrecognised Deferred Tax assets #	**(68,589)**	**72,887**	**-**	**-**	**(1,41,476)**
	-	-	-	-	-

In view of the Company's past financial performance and future profit projections, the company does not expect that it shall generate sufficient future taxable income to fully recover the carry forward losses and unabsorbed depreciation.

(All amounts in INR thousand, unless otherwise stated)

19 Current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Working capital loans repayable on demand- from Kotak Mahindra Bank		
Indian rupee loan	41,716	18,655
Current maturities of long term borrowings (refer note 15)	1,41,372	1,07,264
	1,83,088	**1,25,919**
Unsecured		
Loan from related parties #		
Indian rupee loan	5,15,500	6,01,500
	5,15,500	**6,01,500**
Total	**6,98,588**	**7,27,419**

Secured loans

i)	Nature of security	Principal terms & conditions (including interest rates)
	1-First and exclusive charge on all existing and future current assets of the company (refer note 40) **2**-Corporate guarantee of the holding company	INR 41,716 thousand (March 31, 2021 : INR 18,655 thousand) at the rate of 7.20 % p.a. repayable on demand

ii) Unsecured loans

Particulars

#1 INR 3,39,500 thousand loan taken from Samvardhana Motherson International Limited in multiple tranches in earlier years Samvardhana Motherson International Limited assigned the entire loan in favor of Samvardhana Motherson Innovative Solutions Limited on March 18, 2020. Loan is repayable within 3 years with a right to call back the loan as and when the lender deems fit. Loan will be charged to interest at the rate of 8.50% p.a from the date of disbursement of the said loan payable at the time of maturity.

#2 INR 1,76,000 thousand loan taken from Samvardhana Motherson International Limited in multiple tranches in current year. Loan is repayable within 5 years with a right to call back the loan as and when the lender deems fit. Loan will be charged to interest at the rate of 9.00% p.a from the date of disbursement of the said loan payable at the time of maturity.

#3 The Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated December 22, 2021 sanctioned a composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (MSSL) and SAMIL resulting in merger of SAMIL with MSSL . The appointed and effective date of the merger is January 21, 2022. Accordingly, Loans of INR 1,76,000 thousand given by SAMIL stand transferred to MSSL on January 21, 2022. The loan is repayable within 5 years with a right to call back the loan as and when the lender deems fit. Loan will be charged to interest at the rate of 9.00% p.a from the date of disbursement of the said loan payable at the time of maturity.

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

20. Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises (refer note 43)		
-Related parties (refer note 38)	4,317	2,159
-Others	1,111	138
Total outstanding dues of creditors other than micro and small enterprises		-
-Related parties (refer note 38)	14,700	8,257
-Others	1,09,073	88,712
Total	**1,29,201**	**99,266**

Trade Payable Ageing Schedule as at 31st March 2022

Particulars	Outstanding for following payments from the due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
MSME*	5,427	-	-	-	5,427
Others	1,23,774	-	-	-	1,23,774
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**1,29,201**	-	-	-	**1,29,201**

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

Trade Payable Ageing Schedule as at 31st March 2021

Particulars	Outstanding for following payments from the due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
MSME*	2,297	-	-	-	2,297
Others	96,969	-	-	-	96,969
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**99,266**	-	-	-	**99,266**

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

(All amounts in INR thousand, unless otherwise stated)

21. Other financial liabilities

	March 31, 2022	March 31, 2021
Interest accrued but not due on borrowings from related parties	37,984	366
Interest accrued on borrowings from others	3,193	2,659
Employee benefits payable	4,173	3,663
Advance recovery from employees	737	936
Creditors for capital goods		-
-Related parties (refer note 38)	11,759	8,528
-Others	12,474	4,383
Total	**70,319**	**20,536**

22. Current Lease liabilities	March 31, 2022	March 31, 2021
-Building	12,423	13,933
-Plant & Machinery	896	1,435
-Vehicle	1,087	840
Total	**14,406**	**16,208**

23. Other current liabilities	March 31, 2022	March 31, 2021
Statutory dues	3,449	3,572
Expenses payable	17,997	21,938
Advance received from customers		
-Related parties (refer note 38)	1,000	10,307
-Others	8,567	3,105
Total	**31,013**	**38,922**

(All amounts in INR thousand, unless otherwise stated)

24. Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Sales of products		
Finished goods		
Within India	3,57,825	2,47,613
Outside India	2,80,069	2,00,428
Less: Discount	(3,666)	(1,643)
Total Gross Sales	**6,34,228**	**4,46,398**
Other operating revenue:		
Scrap sales	2,46,848	1,44,251
Sale of Services	106	1,762
	2,46,953	**1,46,013**
Total	**8,81,182**	**5,92,411**

25. Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Profit on sale of tangible assets (net)	8	-
Lease liabilities written back to the extent no longer required	165	20
Interest income from financial assets at amortised cost	1,681	589
Interest income	92	110
Gain on exchange fluctuation-unrealised (net)	119	-
Gain on exchange fluctuation-realised (net)	399	2,772
Export incentives	3,579	1,440
Total	**6,041**	**4,931**

26. Cost of materials consumed

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of raw materials	3,678	1,491
Add : Purchases of raw materials	5,26,971	3,10,273
Less: Closing stock of raw materials	5,664	3,678
Total	**5,24,985**	**3,08,085**

27. Cost of components

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of components	5,648	1,194
Add : Purchases of components	41,678	23,900
Less: Closing stock of components	5,594	5,648
	41,732	**19,445**

28. Changes in inventory of finished goods and work in progress

	Year ended March 31, 2022	Year ended March 31, 2021
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	34,323	17,673
Work-in-progress	11,685	14,410
Total A	**46,009**	**32,083**
Stock at the end of the year:		
Finished goods	51,903	34,323
Work-in-progress	17,607	11,685
Total B	**69,510**	**46,009**
(Increase)/ decrease in stocks (A-B)	**(23,502)**	**(13,925)**

(All amounts in INR thousand, unless otherwise stated)

29. Employee benefit expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Salary,wages & bonus	1,01,546	94,347
Contribution to provident & other funds	4,218	3,656
Gratuity (refer note 17)	1,916	1,867
Staff welfare expenses	8,852	7,639
Total	**1,16,532**	**1,07,509**

30. Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings from bank	47,285	37,015
Interest on borrowings from related parties	47,379	38,873
Interest on lease liabilites	32,007	6,102
Interest on statutory dues	1	446
Total	**1,26,672**	**82,435**

31. Depreciation and amortization Expense

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation - property, plant and equipment	1,01,731	70,787
Depreciation- right of use assets	39,930	16,800
Amortization - intangible assets	1,015	3,635
Total	**1,42,676**	**91,223**

32. Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Electricity, water and fuel	61,797	42,539
Repairs and maintenance:		-
-Machinery	12,488	14,078
-Others	1,518	929
Consumable stores & spare parts	28,320	22,543
Loss on exchange fluctuation - unrealized (net)	-	162
Lease rent vehicles considered short term	-	547
Amortization cost of lease rent- vehicles	101	130
Lease rent factory considered short term	952	5,054
Amortization cost of lease rent- factory	2,402	714
Rates & taxes	3,430	2,071
Insurance	2,305	2,179
Donation	15	14
Travelling Expenses	1,468	962
Freight & forwarding	29,763	26,201
Royalty	11,044	7,662
Testing charges	371	371
Freight and cartage	77	169
Business promotion	702	299
Commission	282	280
Vehicle running and maintenance	1,699	1,255
Communication	324	277
Recruitment expenses	73	90
Trainee expenses	451	2,567
Office expenses	8,018	4,683
Guest house expenses	101	300
Security expenses	3,924	3,922

(All amounts in INR thousand, unless otherwise stated)

Bank charges	1,022	299
Legal & professional expenses	9,556	8,903
Jobwork expenses	28,224	31,288
Software expenses	2	575
Packing expense	13,130	6,680
Payment to auditors (refer note (a) below)	200	243
Miscellaneous expenses	608	9,182
Total	**2,24,367**	**1,97,167**

(a): Payment to auditors:	Year ended March 31, 2022	Year ended March 31, 2021
As Auditor:		
Audit fees	90	90
Limited Review & Others	110	153
Total	**200**	**243**

33 Reconciliation of tax expense with the effective tax rate

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before income tax expense	(2,66,239)	(1,94,596)
Income tax rate of 25.168%*	25.168%	25.168%
Tax calculated as applicable rate	**(67,007)**	**(48,976)**
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Allowance of brought forward losses & unabsorbed depreciation	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	457	3
Effect of change in tax rate	-	2,195
Unrecognised deferred tax for the year	66,550	72,887
Other adjustment	-	-
DTA Impact of losses and unabsorbed depreciation for earlier years	-	(26,110)
Income tax expense	**(0)**	**0**

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

34. Earnings per share	Year ended March 31, 2022	Year ended March 31, 2021
a) Basic		
Net profit after tax available for equity shareholders	(2,66,239)	(1,94,597)
Weighted average number of equity shares used to compute basic earnings pe	29,000	9,000
Basic earnings per share	**(9.18)**	**(21.62)**

(All amounts in INR thousand, unless otherwise stated)

35. Fair value measurements

i. Financial instruments by category

	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
i. Trade receivables*	-	-	1,22,366	-	-	1,08,923
ii. Cash and cash equivalents*	-	-	-	-	-	-
iii. Bank balances other than (ii) above*			119			2,395
iv. Loans*	-	-	1,952	-	-	2,788
v. Other financial assets*	-	-	25,567	-	-	27,385
Total financial assets	**-**	**-**	**1,50,003**	**-**	**-**	**1,41,492**
Financial Liabilities						
i. Borrowings*	-	-	11,58,028	-	-	11,80,269
ii. Trade payables*	-	-	1,29,201	-	-	1,21,204
iii. Other financial liabilities*	-	-	70,319	-	-	36,745
Total financial liabilities	**-**	**-**	**13,57,548**	**-**	**-**	**13,38,217**

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

	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Other financial assets	25,117	25,117	26,185	26,185
Loan to employees	1,147	1,147	1,984	1,984
	26,264	**26,264**	**28,169**	**28,169**
Financial liabilities				
Borrowings*	4,59,441	4,59,441	4,52,851	4,52,851
	4,59,441	**4,59,441**	**4,52,851**	**4,52,851**

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

iii. Valuation technique used to determine fair value

The fair value of the financial instruments is determined using discounted cash flow analysis.

(All amounts in INR thousand, unless otherwise stated)

36. Financial risk management

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

Market risk:
Market risk is the risk that the fair value of future cash flows of financial instruments will fluctutate because of changes in market price/rate. Market risk comprises: Price risk, Foreign currency risk, Interest rate risk, sensitivity analysis, Credit risk and Liquidity risk.

A Price risk:
Fluctuation in commodity price affects directly and indirectly the price of raw material used by the Company in its products. Substantial pricing pressure from customers to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company. The key raw material for the Company's business is aluminium. However,there is no substantial fluctuations in prices of aluminium hence, the Company has not entered into forward contracts to hedge aluminium prices.

B Foreign currency risk:
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The company does not have any derivative instruments outstanding at the end of reporting periods and further unhedged foreign currency exposure is given as follows:

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

Currency	As at March 31, 2022 Payable / (Receivable)		As at March 31,2021 Payable / (Receivable)	
	Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
USD	(105)	(7,979)	(157)	(11,468)
EURO	(231)	(19,350)	(162)	(13,884)
JPY	3,616	2,252	6,727	4,450

C Interest rate risk:
Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. Currently company has availed interest free loan from holding company, thus the company is not exposed to cashflow interest rate risk.

	March 31, 2022	March 31, 2021
Variable rate borrowings*	6,42,528	5,78,769
Fixed rate borrowings	5,15,500	6,01,500
Total borrowings	**11,58,028**	**11,80,269**

*Interest rate shall be floating for the entire loan tenure and is linked to 6M MCLR
An analysis by maturities is provided in Note (E (i)) Maturities of financial liabilities below.

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

	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Interest rates-increase by 50 basis points*	3,213	2,894
Interest rates-decrease by 50 basis points*	(3,213)	(2,894)

* Holding all other variables constant

(All amounts in INR thousand, unless otherwise stated)

D Credit risk:

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

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

E Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the Company . The Company's finance monitors rolling forecasts of the Company’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(i) Maturities of financial liabilities

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

Year ended March 31, 2022	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	1,41,372	5,72,914	2,35,878	**9,50,163**
Trade payables	1,29,201	-	-	**1,29,201**
Other financial liabilities	32,335	-	-	**32,335**
Total non-derivative liabilities	**3,02,908**	**5,72,914**	**2,35,878**	**11,11,699**

Year Ended March 31, 2021	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	1,42,127	5,38,804	2,74,234	**9,55,165**
Trade payables	1,21,204	-	-	**1,21,204**
Other financial liabilities	36,379	-	-	**36,379**
Total non-derivative liabilities	**2,99,709**	**5,38,804**	**2,74,234.28**	**11,12,747**

37. 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 plus depreciation and amortization expense plus finance costs).

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

	March 31, 2022	March 31, 2021
Net Debt	11,57,909	11,77,874
EBITDA	3,110	(20,939)
Net Debt to EBITDA	372.37	-56.25

(b) Loan covenants

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

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
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Notes to the financial statements for the period ended March 31, 2022

(All amounts in INR thousand, unless otherwise stated)

Note 38.1 Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

	Related Party Disclosures are given below: -
(i)	**Entities with control over the entity**
1	Samvardhana Motherson International Limited (SAMIL) (till January 21, 2022)
2	Motherson Sumi Systems Limited (MSSL) (from January 22,2022)
(ii)	**Fellow Subsidiaries with whom the Company had transactions during the current year**
1	MothersonSumi Infotech and Designs Limited
2	Samvardhana Motherson Health Solution Limited
3	Motherson Techno Tools Limited
4	Motherson Machinery and Automations Limited
5	Motherson Air Travel Agencies Limited
6	Motherson Consultancies Service Limited
7	Samvardhana Motherson Global Carriers Limited
8	Samvardhana Motherson Innovative Solutions Limited
9	SMR Automotive Mirrors UK Limited
10	SMR Automotive Systems India Limited
11	SMR Automotive Mirror Technology Hungary
12	SMR Automotive Systems Spain,S.A.U
(iii)	**Joint Venture of Holding companies with whom the Company had transactions during the current year**
1	Anest Iwata Motherson Private Limited
2	Calsonic Kansei Motherson Auto Products Pvt. Ltd.
(iv)	**Other Related Parties with whom the Company had transactions during the current year**
1	Motherson Auto Limited
2	Motherson Lease Solution Limited
3	Systematic Conscom Limited
4	Nirvana Niche Products Private Limited
(v)	**Key Management Personnel**
	Directors of the Company
1	Mr. Ashok Tandon
2	Mr. Jitender Mahajan
3	Mr. Pradip Kumar Acharya (till April 16, 2021)
4	Mr. Vishal Swarupshyam Kabadi (Appointed w.e.f April 15, 2021)
	KMPs
1	Ms. Geetika Mishra (COO)
2	Mr. Kapil Khattar (CFO) (w.e.f 30.03.2022)
3	Mr. Mayank Chaudhary (CS) (w.e.f 30.03.2022)

(All amounts in INR thousand, unless otherwise stated)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 38 (I) above:

(a) Key management personnel compensation

	March 31, 2022	March 31, 2021
Short-term employee benefits	11,086	7,580
Post-employment benefits	3,988	2,722
Total compensation	**15,074**	**10,302**

(b) Transactions with related parties

S. No.	Nature of Transaction	Name of Related Party	Entities with control over the entity		Fellow Subsidiaries		Joint Venture of Holding companies		Other Related Parties	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		MothersonSumi Infotech and Designs Limited			2,087.63	3,479				
1	**Capital purchases**	Systematic Conscom Limited							26,243.45	74,926
		Samvardhana Motherson Health Solution Limited			183	-				
		Nirvana Niche Products Private Limited								248
2	**Security deposits paid**	Motherson Lease Solution Limited							380.09	649
		Motherson Auto Limited							-	42,000
3	**Security deposits received**	Motherson Lease Solution Limited							708	361
4	**Advance received from customers**	SMR Automotive Systems Spain,S.A.U			-	10,307				
		Calsonic Kansei Motherson Auto Products Private Limited					1,000	-		
5	**Sale of goods**	SMR Automotive Mirrors UK Limited			11,530	11,874				
		SMR Automotive Systems India Limited			2,825	4,142				
		SMR Automotive Mirror Technology Hungary			37,774	39,142				
		SMR Automotive Systems Spain,S.A.U			18,147	-				
		Calsonic Kansei Motherson Auto Products Private Limited					71,212	35,366		
6	**Purchase of goods & services**	Samvardhana Motherson International limited	1,486	1,438						
		Motherson Sumi Systems Limited (MSSL)	291							
		MothersonSumi Infotech and Designs Limited			6,147	5,835				
		Motherson Air Travel Agencies Limited			311	444				

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(All amounts in INR thousand, unless otherwise stated)

S. No.	Nature of Transaction	Name of Related Party	Entities with control over the entity		Fellow Subsidiaries		Joint Venture of Holding companies		Other Related Parties	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Motherson Auto Limited							86	86
		Motherson Techno Tools Limited			4,646	7,191				
		Motherson Machinery and Automations Limited			820	1,322				
		Calsonic Kansei Motherson Auto Products Private Limited					4,456	3,140		
		Systematic Conscom Limited							839	-
		Motherson Consultancies Service Limited			258	280				
		Motherson Automotive Technologies and Engineering Limited				13				
		Anest Iwata Motherson Private Limited					259	135		
		Samvardhana Motherson Global Carriers Limited			16,077	11,079				
		Motherson Lease Solution Limited								131
7	**Operating leases – Vehicles & Machinery, Plant**	Motherson Lease Solution Limited							3,537	3,169
		Motherson Auto Limited							42,000	10,500
8	**Reimbursement Paid**	SMR Automotive Mirror Technology Hungary			1,242	943				
		Motherson Auto Limited							397	1,126
		MothersonSumi Infotech and Designs Limited			3	-				
		Calsonic Kansei Motherson Auto Products Private Limited					0	2,370		
		Motherson Machinery and Automations Limited			63	-			0	-
		SMR Automotive Systems Spain,S.A.U			103	-				
9	**Reimbursements received**	Calsonic Kansei Motherson Auto Products Private Limited					802	-		
10	**Loans received**	Samvardhana Motherson International limited	92,000	2,85,000						
		Motherson Sumi Systems Limited (MSSL)	22,000	-						
11	**Loan Repayment**	Samvardhana Motherson International limited	2,00,000	23,000						
12	**Interest Expense**	Samvardhana Motherson Innovative Solutions Limited			28,858	28,858				
		Samvardhana Motherson International limited	18,521	10,016						
		Motherson Sumi Systems Limited (MSSL)	2,967							
13	**Interest Payment**	Samvardhana Motherson Innovative Solutions Limited			1,000					
		Samvardhana Motherson International limited	9,326							
14	**Share Capital**	Samvardhana Motherson International limited	2,00,000							

(All amounts in INR thousand, unless otherwise stated)

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

S. No.	Name of Related Party	Holding Company		Fellow Subsidiaries		Joint Venture of Holding companies		Other Related Parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
A	**Payables**								
	MothersonSumi Infotech and Designs Ltd			3,919	5,047				
	Motherson Air Travels Agencies Ltd.			157	-				
	Motherson Techno Tools Ltd.			2,696	4,230				
	Systematic Conscom Limited			11,759	8,528				
	Motherson Machinery and Automations Limited			52	203				
	Motherson Consultancies Service Ltd.			16					
	Motherson Sumi Systems Limited (MSSL)	314							
	Motherson Auto Limited							7,567	598
	Motherson Lease Solution Limited							34	102
	Samvardhana Motherson Global Carriers Limited			4,160	4,810				
	Anest Iwata Motherson Private Limited			103					
	Samvardhana Motherson Innovative Solutions Limited								
	Motherson Air Travel Agency GmbH				728				
B	**Receivables**								
	SMR Automotive Mirrors UK Limited			5,333	5,021				
	SMR Automotive Mirror Technology Hungary			3,675	21,113				
	SMR Automotive Systems India Limited			299	988				
	SMR Automotive Systems Spain,S.A.U			10,342	-				
	Calsonic Kansei Motherson Auto Products Private Limited					7,159	4,566		
C	**Advances received from customers**								
	Calsonic Kansei Motherson Auto Products Private Limited					1,000	-		
	SMR Automotive Systems Spain,S.A.U				10,307				
D	**Loan Outstanding**								
	Samvardhana Motherson Innovative Solutions Limited			3,39,500	3,39,500				
	Motherson Sumi Systems Limited (MSSL)	1,76,000	-						
	Samvardhana Motherson International limited	-	2,62,000						

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

(All amounts in INR thousand, unless otherwise stated)

(d) Loans & advances to / from related parties

Sr. No.	Particulars	Entities with control over the entity		Fellow Subsidiaries		Joint Venture of Holding companies		Other related parties	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
i.	**Security deposits:**								
	Beginning of the year							**43,460**	**1,172**
	Given							380	42,649
	Refunded							708	361
	End of the year							**43,132**	**43,460**
ii.	**Borrowings:**								
	Beginning of the year	**2,72,016**	**-**	**3,69,461**	**3,40,604**				
	Loans received	1,14,000	2,85,000	-	-				
	Interest Expense	21,489	10,016	28,858	28,858				
	Loan Repayment	(2,00,000)	(23,000)	-					
	Interest payment	(19,342)		(30,961)					
	End of the year	**1,88,163**	**2,72,016**	**3,67,358**	**3,69,461**				
iii.	**Loans given:**								
	Beginning of the year							**2,788**	**3,570**
	Loans given							-	-
	Interest charged							75	107
	Interest received							107	85
	Loans received back							804	804
	End of the year							**1,952**	**2,788**

The company has given security deposit to Motherson Lease Solution (Other related party) for providing vehicles to its employees.
The company has given loan to its other related party - Ms. Geetika Mishra (KMP)

(All amounts in INR thousand, unless otherwise stated)

39. Segment Information:

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

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Officer "COO" of the Company. The COO is responsible for allocating resources and assessing performance of the operating segments . The Company operates through a single segment, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

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

	March 31, 2022	March 31, 2021
i) Revenue from external customers		
Within India	6,04,673	3,91,865
Outside India	2,76,509	2,00,547
Total	**8,81,182**	**5,92,411**

ii) Segment Assets
Total of non-current assets other than financial instruments:

	March 31, 2022	March 31, 2021
Within India	9,37,111	9,95,129
Outside India	-	-
Total	**9,37,111**	**9,95,129**

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

	March 31, 2022	March 31, 2021
Customer 1	2,04,633	1,39,125
Customer 2	1,35,151	1,27,201
Customer 3	73,709	51,137
Total	**4,13,492**	**3,17,464**

(All amounts in INR thousand, unless otherwise stated)

40. Assets hypothecated as security (Kotak Mahindra Bank)

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

	March 31, 2022	March 31, 2021
Current:		
First charge		
Cash and cash equivalents	119	2,395
Trade receivables	1,22,366	1,08,923
Inventory	1,06,340	76,015
Other current assets	23,893	27,788
Total current assets hypothecated as security	**2,52,718**	**2,15,122**
Non Current:		
First charge		
Plant & Machinery	3,98,845	4,18,575
Other items of PPE	78,977	72,487
Total non-current assets hypothecated as security	**4,77,822**	**4,91,062**
Total assets hypothecated as security	**7,30,540**	**7,06,184**

(All amounts in INR thousand, unless otherwise stated)

41. Capital and Other Commitments

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

	March 31, 2022	March 31, 2021
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed, (Net of Advances INR 2,745 thousand) (Mar 31 ,2021 INR NIL)	28,287	3,400
Total	**28,287**	**3,400**

42. Contingent liabilities:

		March 31, 2022	March 31, 2021
a)	Sales tax matters (C form liability)	-	-
b)	Bank gaurantee given to customer	-	-
c)	Letter of credit given to vendor	-	-
	Total	-	-

43. Due to Micro and Small enterprises

The Company has written to its suppliers to intimate the status as micro and small enterprise in terms of "Micro, Small and Medium Enterprises Development Act 2006"and to provide a copy of their registration certificate. The Company has shown below dues if any to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and a separate disclosure of the amount due to micro and small enterprises at the end of the year is given in Trade Payables. 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	5,427	2,297
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	-	-

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

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

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

B) Disaggregation of revenue from contracts with customers

Segments	March 31, 2022	March 31, 2021
Revenue by Geography		
In India	6,04,673	3,91,865
Outside India	2,76,509	2,00,547
Total revenue from contract with customers	**8,81,182**	**5,92,411**
Revenue by major product lines		
Sale of product	8,81,076	5,90,649
Sale of services	106	1,762
Total revenue from contract with customers	**8,81,182**	**5,92,411**

C) Timing of revenue recognition

At a point in time	8,81,182	5,92,411
Over time		
Total revenue from contract with customers	**8,81,182**	**5,92,411**

D) Contract Balances

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

	March 31, 2022	March 31, 2021
Receivables	1,22,366	1,08,923
Contract liabilities	9,567	13,412

E) Revenue from contracts with customers

	March 31, 2022	March 31, 2021
Revenue recognised from		
Amounts included in contract liabilities at the beginning of the year	13,412	7,701

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED

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(All amounts in INR thousand, unless otherwise stated)

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

45. Disclosure under Ind AS 116 Leases

Company as a lessee

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

that include extension and termination options and variable lease payments, which are further discussed below.
The company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases

Set out below are the carrying amounts of right-of-use assets recognised and the movements for FY 2021-22:

Particulars	**Building**	**Machineries**	**Motor Vehicles**	**Total**
As at 01 April 2021	**3,65,901**	**2,161**	**3,794**	**3,71,855**
Additions	-		1,939	1,939
Deletions due to termination of contracts	(12,604)		-	(12,604)
Depreciation expense	37,385	1,365	1,181	39,930
Depreciation on deletions	(11,204)		-	(11,204)
As at 31 March 2022	**3,27,116**	**796**	**4,552**	**3,32,464**

-

Set out below are the carrying amounts of right-of-use assets recognised and the movements for FY 2020-21:

Particulars	**Building**	**Machineries**	**Motor Vehicles**	**Total**
As at 01 April 2020	7,002	3,525	1,117	**11,644.38**
Additions	3,73,847	-	3,460	3,77,307
Deletions due to termination of contracts	-	-	(437)	(437)
Depreciation expense	14,948	1,365	487	16,799
Depreciation on deletions	-	-	(140)	(140)
As at 31 March 2021	**3,65,901**	**2,161**	**3,794**	**3,71,855**

Set out below are the carrying amounts of lease liabilities and the movements for FY 2021-22:

Particulars	**Amount**
As at 01 April 2021	3,72,519
Additions	1,939
Accretion of interest	32,007
Reduction due to termination of contracts	1,565
Payments	45,021
As at 31 March 2022	**3,59,880**
Current Portion:-	**14,406**
Non Current Portion:-	**3,49,351**

Set out below are the carrying amounts of lease liabilities and the movements for FY 2020-21:

Particulars	**Amount**
As at 01 April 2020	12,238
Additions	3,77,307
Accretion of interest	6,102
Reduction due to termination of contracts	317
Payments	18,934
As at 31 March 2021	**3,76,396**
Current Portion:-	**16,208**
Non Current Portion:-	**3,60,188**

(All amounts in INR thousand, unless otherwise stated)

The maturity analysis of lease liabilities are disclosed in Note 16 and 22

The effective interest rate for lease liabilities is 12% for vehicles & 9% for others, with maturity between 2020-2025

The following are the amounts recognised in profit or loss for FY 2021-22:

Particulars	**Amount**
Depreciation expense of right-of-use assets	39,930
Interest expense on lease liabilities	32,007
Total amount recognised in profit or loss	**71,938**

The following are the amounts recognised in profit or loss for FY 2020-21:

Particulars	**Amount**
Depreciation expense of right-of-use assets	16,800
Interest expense on lease liabilities	6,102
Total amount recognised in profit or loss	**22,902**

	March 31,2022	**March 31, 2021**
Short-term and/or low value leases		
Lease rent paid for vehicles	-	547
Lease rent paid for factory	952	5,054
Total	**952**	**5,601**

The company had total cash outflows for leases of INR 45,973 thousand in 31 March 2022 (INR 18,934 thousand in 31 March 2021)

SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED
CIN: U31500DL2014PTC274514
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

46. Ratio Analysis and its elements			For the year ended			
Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason variance for more than 25%
Current Ratios	Current Assets	Current Liabilities	0.27:1	0.24:1	12%	
Debt- Equity Ratio	Debt	Share Holder's Equity	(2.93):1	(3.21):1	-9%	
Debt Service Coverage ratio	Earnings available fo Debt service	Debt Service	0.01:1	(0.08):1	-112%	Variance is combined effect of : (A) Increase in interest expense (B) Increase in schedule repayment of long term borrowing
Return on Equity ratio	Net Profit	Share Holder's Equity	0.52:1	0.50:1	3%	
Inventory Turnover ratio	Cost of goods sold	Average Inventories	8.10:1	6.00:1	35%	Variance due to: (A) Increase in prices of raw material as compare to previous year
Trade Receivable Turnover Ratio	Revenue from contract with customers	Average Trade Receivable	7.62:1	5.89:1	29%	
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.98:1	3.71:1	34%	Variance due to: (A) Increase in purchase of raw material and consumable items
Net Capital Turnover Ratio	Revenue from contract with customers	Average Working Capital	36.07:1	41.11:1	-12%	
Net Profit ratio	Net Profit	Revenue from Operations	-30%	-33%	-8%	
Return on Capital Employed	EBIT	Average Capital Employed	-21%	-19%	11%	
Return on Investment	PAT	Share Holder's Equity	**N.A**	**N.A**	**N.A**	

(All amounts in INR thousand, unless otherwise stated)

47. Cash Losses for year ended March 31, 2022

Particulars	March 31, 2022	March 31,
Profit/(Loss) after Tax	**(2,66,239)**	**(1,94,597)**
Add: Depreciation and Amortization Expense on	1,01,731	70,787
Add: Depreciation and Amortization Expense on Lease	39,930	16,800
Less: Deferred Tax Expense	-	-
Add: Exchange Loss on Long term Borrowings	-	-
Cash Loss during the period	**(1,24,577)**	**(1,07,009)**

48. Impact of COVID -19

During first three months the country witnessed a second wave of COVID-19 resulting in lockdown in several States in India. Furthermore, there was a third wave in the month of January 2022, which resulted in restrictions in some States. Due to increase in vaccinations and consequent reduction in number of cases the State governments relaxed restrictions in phased manner. There after the business environment of the country again improved.

The company is in the business of manufacturing machined high pressure die casting parts for automotive and non automotive companies across the globe. The company is a tier 2 manufacturer for automotive OEMs in India. Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's financial position.

The company has assessed the possible impact of COVID-19 in preparation of the financial results, including but not limited to its assessment of liquidity and going concern assumptions, recoverable values of its financial & non-financial assets and the impact on revenues & costs. The impact of COVID-19 may be different from that estimated on the date of approval of these financial results and the company will continue to closely monitor any material changes to future economic conditions. The company has taken all necessary measures to control costs & rationalise resources and is taking initiatives to uplift revenue. The company is also holding back on discretionary spending and is planning other cost optimization measures.

For and on behalf of the Board

As per our report attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

JITENDER MAHAJAN
Digitally signed by JITENDER MAHAJAN
Date: 2022.05.11 17:06:54 +05'30'

Jitender Mahajan
Director
DIN-06755332

ASHOK TANDON
Digitally signed by ASHOK TANDON
Date: 2022.05.11 17:06:11 +05'30'

Ashok Tandon
Director
DIN-00032733

VIPIN BALI
Digitally signed by VIPIN BALI
Date: 2022.05.11 18:41:31 +05'30'

Vipin Bali
Partner
M.No. 083436
Place :
Date :

GEETIKA MISHRA
Digitally signed by GEETIKA MISHRA
DN: c=IN, o=Personal, title=6493, pseudonym=9ba59eaa8c0cd08935f336187825908df921083f1db92da3c9a4522a7681914a, postalCode=122001, st=Haryana, serialNumber=b1362546f797397597b9babab798c3c082ac2ae0eb776ce09b73978a35e07356, cn=GEETIKA MISHRA
Date: 2022.05.11 16:36:00 +05'30'

Geetika Mishra
Manager and Chief Operating Officer
PAN-AGXPG6114A
Place : Rewari

KAPIL KHATTAR
Digitally signed by KAPIL KHATTAR
DN: c=IN, o=SAMVARDHANA MOTHERSON AUTO COMPONENT PRIVATE LIMITED, ou=DGFTIEC-0515025321-000, postalCode=122050, st=Haryana, 2.5.4.20=6a9b4268ddb492d2fa62815d9687580c306352a9dc97edfc089e191827ad8cba, pseudonym=B4733A92D4328D66004F039E53181C9B12B21FA5, cn=KAPIL KHATTAR
Date: 2022.05.11 16:38:19 +05'30'

Kapil Khattar
Chief Financial Officer
PAN-APOPM1510Q

MAYANK
Digitally signed by MAYANK
DN: c=IN, o=PERSONAL, pseudonym=b5fda3502d37058c23e26f07b1104ea6e58bea271e36a08111522241063ed1a6, postalCode=121001, st=HARYANA, serialNumber=93595e443ef421f9d8d1ba59e14b47f717a8fc08b4958ff3b7b854ef8bfaed65, cn=MAYANK
Date: 2022.05.11 18:29:01 +05'30'

Mayank Chaudhary
Company Secretary
PAN-CMEPM9579C