SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)
**Balance sheet as on March 31, 2022**

*All amount are in thousands INR*

| | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 9 | 28 |
| Intangible assets | 3 | - | - |
| Financial assets | | | |
| i. Other financial assets | 4 (a) | 30 | 30 |
| ii. Other bank balances | 4 (b) | 585 | 220 |
| Income tax assets (net of provisions) | 5 | (113) | 576 |
| **Total non-current assets** | | 511 | 854 |
| Financial assets | | | |
| i. Trade receivables | 6 | 3 | 3 |
| ii. Cash and cash equivalents | 7 (a) | 409 | 439 |
| iii. Bank balances other than (ii) above | 7 (b) | 2,000 | 2,365 |
| vi. Other financial assets | 4 | 4,296 | 3,353 |
| Other current assets | 8 | 1,083 | 1,089 |
| **Total current assets** | | 7,791 | 7,249 |
| **Total assets** | | 8,302 | 8,103 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 9 | 203,490 | 203,490 |
| **Other equity** | | | |
| Reserves and surplus | 10 | (492,932) | (471,959) |
| **Total equity** | | (289,442) | (268,469) |
| **Liabilities** | | | |
| Financial Liabilities | | | |
| i. Borrowings | 11 | 227,915 | 72,477 |
| Non current liabilities | 16 | 2,120 | 2,229 |
| **Total non-current liabilities** | | 230,035 | 74,706 |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| i. Borrowings | 12 | - | 145,750 |
| ii. Trade payables | 13 | 16,423 | 16,556 |
| iii. Other financial liabilities | 14 | 37,863 | 27,119 |
| Provisions | 15 | 902 | 902 |
| Employee benefit obligations | 16 | 1,655 | 1,239 |
| Other current liabilities | 17 | 10,866 | 10,300 |
| **Total current liabilities** | | 67,709 | 201,866 |
| **Total liabilities** | | 297,744 | 276,572 |
| **Total equity and liabilities** | | 8,302 | 8,103 |

As per our report of even date attached

For MANGLA ASSOCIATES
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES FRN: 006796C CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173

Place : NOIDA
Date: 18th May 2022

UDIN : 22080173AJFPQN8063

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

Nikhil Singhal
CFO
PAN. AMHPS5339K

**SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)**
**Statement of profit and loss as on March 31, 2022**

*All amount are in thousands INR*

| | Note | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 18 | - | - |
| Other income | 19 | 7,792 | 6,945 |
| **Total income** | | 7,792 | 6,945 |
| **Expenses** | | | |
| Employee benefit expenses | 20 | 7,889 | 7,545 |
| Finance costs | 21 | 18,633 | 17,784 |
| Depreciation and amortization expense | 22 | 19 | 32 |
| Other expenses | 23 | 2,224 | 735 |
| **Total expenses** | | 28,765 | 26,096 |
| **Profit before tax** | | (20,973) | (19,151) |
| **Tax expenses** | | | |
| -Current tax | 24 | - | - |
| -Deferred tax expense/ (credit) | | - | - |
| **Total tax expense** | | - | - |
| **Profit for the year** | | (20,973) | (19,151) |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of post-employment benefit obligations | | - | - |
| Deferred / Current tax on remeasurements of post-employment benefit obligations | | - | - |
| **Other comprehensive income for the year, net of tax** | | - | - |
| **Total comprehensive income for the year** | | (20,973) | (19,151) |
| **Earnings per share: (Refer Note 26)** | | | |
| Nominal value per share: Re. 10/- (Previous year : Re 10/-) | | | |
| Basic | 25 | (5.24) | (4.79) |
| Diluted | 25 | (5.24) | (4.79) |

As per our report of even date attached

For **MANGLA ASSOCIATES**
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES FRN: 006796C CHARTERED ACCOUNTANTS

**A. P. MANGLA**
**Partner**
**M. No. 080173**
**Place : NOIDA**
**Date: 18th May 2022**
UDIN: 22080173AJFPQN8063

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Manish Kumar Goyal**
**Director**
**DIN No. 00256796**

**Rohitash Gupta**
**Director**
**DIN No. 01049454**

**Ajay Kumar Abbi**
**Manager**
**PAN. AFNPA1373E**

**Nikhil Singhal**
**CFO**
**PAN. AMHPS5339K**

**SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)**
**Statement of changes in equity as on March 31, 2022**

*All amount are in thousands INR*

| A. Equity share capital | Note | Amount |
|---|---|---|
| As at April 01, 2021 | 9 | 40,000 |
| Changes in Equity Share capital | | - |
| As at March 31, 2022 | | 40,000 |

| B. Other equity | Note | Reserves and surplus | | Total |
|---|---|---|---|---|
| | | | Retained Earning | |
| **Balance as at April 01, 2021** | 10 | | (471,959) | (471,959) |
| Profit for the year | | | (20,973) | (20,973) |
| Other comprehensive income | | | - | - |
| **Total comprehensive income for the year** | | - | (492,932) | (492,932) |
| Deductions during the year | | | | |
| Additions on amalgamation | | | | |
| Transfer to general reserve | | | | |
| Dividend paid | | | - | - |
| Tax on Dividend | | | - | - |
| Bonus issue | | | - | - |
| Additions (Deductions) during the year | | | - | - |
| **Balance at March 31, 2022** | | - | (492,932) | (492,932) |
| **Total comprehensive income for the year** | | | (492,932) | (492,932) |
| Additions during the year | | | | |
| Issue of equity shares, net of transaction costs | | | - | - |
| Additions on Amalgamation | | | - | - |
| Transfer to general reserve | | | - | - |
| Dividend paid | | | - | - |
| Tax on Dividend | | | - | - |
| Retained Earning - other addition / (deletion) | | | - | - |
| **Balance at March 31, 2022** | | | (492,932) | (492,932) |

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

As per our report of even date attached

For **MANGLA ASSOCIATES**
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES FRN: 006796C CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173
Place : NOIDA
Date: 18th May 2022
UDIN: 22080173AJFPQN8063

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

Nikhil Singhal
CFO
PAN. AMHPS5339K

**SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)**

**Cash Flow Statement for the year ended March 31, 2022**

*All amount are in thousands INR*

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **A. Cash flow from operating activities:** | | |
| Net profit before tax | (20,973) | (19,151) |
| Adjustments for: | | |
| Depreciation & Amortisation | 19 | 32 |
| Provision for written back of creditors | - | - |
| Provision for written back of expenses payable | - | - |
| Provision for written back of warranty | - | - |
| Finance cost | 18,631 | 17,783 |
| Interest income | (601) | (257) |
| **Operating profit before working capital changes** | **(2,923)** | **(1,593)** |
| **Change in working Capital:** | | |
| Increase/(Decrease) in Trade Payables | (133) | 173 |
| Increase/(Decrease) in Short Term Provisions | 416 | 160 |
| Increase/(Decrease) in Long Term Provisions | (110) | 324 |
| Increase/(Decrease) in Other Current Liabilities | 290 | 286 |
| (Increase)/Decrease in Trade Receivables | (0) | - |
| (Increase)/Decrease in Other Current Assets | (727) | (55) |
| **Cash generated from operations** | **(3,187)** | **(705)** |
| - Taxes paid (net of refund) | 689 | (23) |
| **Net cash generated from operations** | **(2,498)** | **(728)** |
| **B. Cash flow from Investing activities:** | | |
| Interest received | 392 | 22 |
| **Net cash used in investing activities** | **392** | **22** |
| **C. Cash flow from financing activities:** | | |
| Proceeds/(Repayment) of working capital and other loans repayable on demand (net) | 3,300 | (144,150) |
| Interest paid | (1,224) | (898) |
| Proceeds from other short term borrowings | - | 145,750 |
| **Net cash used in financing activities** | **2,076** | **702** |
| **Net Increase/(Decrease) in Cash & Cash Equivalents** | **(30)** | **(4)** |
| **Net Cash and Cash equivalents at the beginning of the year** | **439** | **443** |
| **Cash and cash equivalents as at current year closing** | **409** | **439** |
| **Cash and cash equivalents comprise of the following (Note 8(a))** | **409** | **439** |
| Cash on hand | 0 | 0 |
| Cheques / drafts on hand | | |
| Balances with banks | 409 | 439 |
| Less Bank overdraft / cash credit | | |
| **Cash and cash equivalents as per Balance Sheet** | **409** | **439** |
| Effect of exchange differences on balances with banks in foreign currency | | |
| **Total** | **409** | **439** |

Ind AS 7 requires company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

| Particulars | As on April 1, 2021 | Cash flows | Non-cash changes: Transaction costs impact | Non-cash changes: Unrealised exchange difference | Non-cash changes: Others | As on March 31, 2022 |
|---|---|---|---|---|---|---|
| Long-term borrowings from banks | - | - | - | - | - | - |
| 0% non-cumulative non-convertible redeemable preference shares | - | - | - | - | - | - |
| Long-term loan from related parties | 8,600 | - | - | - | 149,050 | **157,650** |
| Short term borrowings (net of transaction costs) | 145,750 | - | - | - | (145,750) | - |
| Interest accrued on borrowings | 25,349 | 11,018 | - | - | - | **36,368** |

Notes.

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

ii) Figures in brackets indicate Cash Outflow

As per our report of even date attached

For MANGLA ASSOCIATES
Chartered Accountants
Firm Registration No. 006796C

FRN: 006796C

A. P. MANGLA
Partner
M. No. 080173
Place : NOIDA
Date: 18th May 2022
UDIN: 22080173AJF PQK8063

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

Nikhil Singhal
CFO
PAN. AMHPS5339K

## Notes of Financial Statement

### Note:-1. Company Overview:

Samvardhana Motherson Refrigeration Product Limited was incorporated on 18/10/2007 and have its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, Delhi-110044, India. The Company is engaged in marketing, selling, exports, service, manufacturing and assembly of Refrigeration units for automobiles and stationary application, home composting, on-site household & garden waste containment systems.

### Note:-2. SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS

#### 2.1 *Basis of preparation*

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### 2.2 *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

***Discount rate used to determine the carrying amount of the Company's defined benefit obligation:*** In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

***Contingences and commitments:*** In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.

*Key sources of estimation uncertainty the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:*

***Income taxes:*** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

***Useful lives of property, plant and equipment:*** The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

## 2.3 Property, plant and equipment:

Property, plant and equipment (PPE) are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM") in the manner prescribed in Schedule II of the Act. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company reflect the periods over which these assets are expected to be used.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

**2.4 Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Examples of such estimates include provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Actual results could differ from those estimates and are given effect to as and when determine.

### 2.5 Depreciation

"During the year ended March 31, 2022, pursuant to the requirements of Schedule II to the Companies Act, 2013, Depreciation on fixed assets is provided on a pro-rata basis at Useful life prescribed in schedule II Part C to companies Act 2013.

| **Assets** | **Life (Years) Considered** |
|---|---|
| Plant & Machinery | 9.67 |
| Office Equipments | 5.00 |
| Furniture & Fixtures | 6.00 |
| Computers and Printers | 3.00 |

### Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortization rates used are:

| **Assets** | **Life (Years)** |
|---|---|
| Software | 3.00 |

### *2.6 Income tax*

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

***Current tax:*** Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

***Deferred tax:*** Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**2.7 Operating Lease**: Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding in inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

***2.8 Impairment of assets***

***Financial assets :*** The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

***PPE and intangibles assets:*** Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

### *2.9 Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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 changes in value.

### *2.10 Provisions and Contingent Liabilities:*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 the obligation or a reliable estimate of the amount cannot be made.

### *2.11 Inventories:*

Inventories of Traded goods and Finished Goods are stated at lower of cost or net realizable value. Raw Material is stated at cost. Cost is determined weighted average basis. Cost of manufactured goods includes related overheads and excise duty paid/payable on such goods.

### *2.12 Employee Benefits:*

The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss Account of year. Gratuity liability as per payment of Gratuity Act and Leave Encashment benefit as per Company's policy are determined / accrued at year end, based on the actual calculations.

### *2.13 Revenue Recognition IND AS 115:*

Revenue is recognized when control of a good or service transfers to a customer.

Five-step processes are applied before revenue can be recognized:

- Identify contracts with customers
- Identify the separate performance obligation
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations and
- Recognize the revenue as each performance obligation is satisfied.

***Interest income*** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### *2.14 Non-derivative financial instruments*

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a. *Financial assets – Subsequent measurement*

   Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

**Financial assets at fair value through profit or loss (FVTPL):** Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

c. Offsetting of financial instruments

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

### *2.15 Earnings Per share (EPS):*

In arriving at the EPS, the company's net profit after tax, computed in terms of Indian GAAP, is dividend by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity shares that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The dates of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

SAMVARDHANA MOTHERSON REFRIGERATION PRODUCT LTD. (CIN: U90000DL2007PLC169556)
Notes to the financial statements for the year ended March 31, 2022

**3. Property plant and equipment**

*All amount are in thousands INR*

| Particulars | Leasehold improvement | Plant and machinery | Office equipments | Furniture & fixtures | Computers | Mould | Total Tangible Assets | Computer Software | Total Intangible Assets | Total Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2021** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening gross carrying amount as at April 01, 2020 | - | 200 | 10 | 1 | 0 | - | 211 | - | - | 211 |
| Addition | - | - | - | - | - | - | - | | - | - |
| Disposal | - | - | - | - | - | - | | | | - |
| **Closing gross carrying amount as at March 31, 2021** | - | 200 | 10 | 1 | 0 | - | 211 | - | - | 211 |
| **Accumulated depreciation** | | | | | | | | | | |
| Opening accumulated depreciation as at April 01, 2020 | - | 140 | 10 | 1 | 0 | - | 151 | - | - | 151 |
| Depreciation charge during the year | - | 32 | 0 | 0 | - | - | 32 | | - | 32 |
| Disposals | - | - | - | - | - | - | - | | | - |
| **Closing accumulated depreciation as at March 31, 2021** | - | 172 | 10 | 1 | 0 | - | 183 | - | - | 183 |
| | | | | | | | | | | - |
| **Net carrying amount as at March 31,2021** | - | 28 | - | - | - | - | 28 | - | - | 28 |
| **Year ended March 31, 2022** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening gross carrying amount as at April 01, 2021 | - | 200 | 10 | 1 | 0 | - | 211 | - | - | 211 |
| Addition | - | - | - | - | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - | - | - | - | - |
| **Closing gross carrying amount as at March 31, 2022** | - | 200 | 10 | 1 | 0 | - | 211 | - | - | 211 |
| **Accumulated depreciation** | | | | | | | | | | |
| Opening accumulated depreciation as at April 01, 2021 | - | 172 | 10 | 1 | 0 | - | 183 | - | - | 183 |
| Depreciation charge during the year | - | 19 | - | - | - | | 19 | - | - | 19 |
| Disposals | | | | | | | | | | |
| **Closing accumulated depreciation as at March 31, 2022** | - | 191 | 10 | 1 | 0 | - | 202 | - | - | 202 |
| **Net carrying amount as at March 31, 2022** | - | 9 | - | - | - | - | 9 | - | - | 9 |

**4 Other financial assets**

*All amount are in thousands INR*

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| **(a) (Unsecured, considered good)** | **Current** | **Non-current** | **Current** | **Non-current** |
| Security Deposits | 4,215 | 30 | 4,215 | 30 |
| Less: Allowances for credit loss | (4,065) | | (4,065) | |
| Security Deposits | 150 | 30 | 150 | 30 |
| Other receivables | 2,046 | - | 1,313 | - |
| Interest accrued on fixed deposits | 2,100 | - | 1,890 | - |
| **Total** | **4,296** | **30** | **3,353** | **30** |

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **(b) Other bank balances** | | |
| Deposits with maturity of more than 12 months | | |
| - margin money deposits | 585 | 220 |
| **Total** | **585** | **220** |

*All amount are in thousands INR*

| 5 Non-current tax assets/(Current tax liabilities) (net) | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Opening balance | 576 | 553 |
| Add: Advance tax paid / tax deducted at source | 167 | 153 |
| Less: Refund received | (856) | (130) |
| Less: Current tax payable for the year | - | - |
| **Total** | **(113)** | **576** |

| 6 Trade receivables | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Receivables considered good - Unsecured | 3 | 3 |
| Related Parties | - | - |
| Receivables - credit impaired | 91,885 | 91,885 |
| Less: Allowances for credit loss | (91,885) | (91,885) |
| **Total** | **3** | **3** |

| 7 (a) Cash and cash equivalents * | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Balances with banks: | | |
| - in current accounts | 409 | 439 |
| - Deposits with original maturity of less than three months | - | - |
| Cash on hand | 0 | 0 |
| **Total** | **409** | **439** |

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

| 7 (b) Other bank balances | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Deposits with original maturity of more than three months but less than 12 months | | |
| - margin money deposits | 2,000 | 2,365 |
| - Others | - | - |
| **Total** | **2,000** | **2,365** |

| 8 Other current assets | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **(Unsecured, considered good, unless otherwise stated)** | | |
| Advances to suppliers | 1,809 | 1,809 |
| Less: Provision for debit balances of suppliers | (768) | (768) |
| | 1,041 | 1,041 |
| Advances to employees | 39 | 39 |
| Prepaid expenses | 3 | 6 |
| Balances with government authorities | 0 | 3 |
| **Total** | **1,083** | **1,089** |

*All amount are in thousands INR*

| 9 Share Capital | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **Authorised shares** | | |
| 4,000,000 equity shares of Rs.10/- each | 40,000 | 40,000 |
| (March 31, 2022: 4,000,000, March 31, 2021: 4,000,000 equity shares of Rs 10 each) | | |
| 20,000,000 preference shares of Rs.10/- each | | |
| (March 31, 2022: 20,000,000, March 31, 2021: 20,000,000 equity shares of Rs 10 each) | 200,000 | 200,000 |
| **Issued, subscribed and fully paid-up shares** | | |
| 4,000,000 equity shares of Rs.10/- each | 40,000 | 40,000 |
| (March 31, 2022: 4,000,000, March 31, 2021: 4,000,000 equity shares of Rs 10 each) | | |
| Equity component of 7% optionally convertible cumulative redeemable preference shares of Rs.10/- each - 19,200,000 (March 31, 2021: 19,200,000 Preference Shares) | 163,490 | 163,490 |
| **Total issued, subscribed and fully paid-up share capital** | 203,490 | 203,490 |

a. **Movement in equity share capital**

| | Numbers | Amount |
|---|---|---|
| **As at April 1, 2021** | 4,000,000 | 40,000 |
| Issued during the year | - | - |
| **As at March 31, 2022** | 4,000,000 | 40,000 |

**Equity component of 7% optionally convertible cumulative redeemable preference shares**

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 19,200,000 | 163,490 | 19,200,000 | 163,490 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | 19,200,000 | 163,490 | 19,200,000 | 163,490 |

This note covers the equity component of the issued convertible preference shares. The liability component is reflected in financial liabilities.

b. **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of INR10/- per share. Each holder of equity share is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

c. **Terms of conversion/redemption of Convertible Redeemable Preference Shares**

The 7% optionally convertible cumulative redeemable preference shares shall be redeemed at the option of the Board, But not letter than 20 years from the date of allotment (8,500,000 preference shares were allotted on March 29, 2012 and 10,700,000 preference shares were allotted on March 30, 2013).

d. **Details of shareholders holding more than 5% shares in the Company**

| | As At March 31, 2022 | | As At March 31, 2021 | |
|---|---|---|---|---|
| **Name of equity shareholders** | No. of shares | % of holding | No. of shares | % of holding |
| Samvardhana Motherson Innovative Solutions Limited and its nominees (w.e.f March 21, 2018) | 4,000,000 | 100.00% | 4,000,000 | 100.00% |

e. **Details of 7% optionally convertible cumulative redeemable preference shareholders holding more than 5% shares in the Company**

| | As At March 31, 2022 | | As At March 31, 2021 | |
|---|---|---|---|---|
| **Name of Preference shareholders** | No. of shares | % of holding | No. of shares | % of holding |
| Samvardhana Motherson Innovative Solutions Limited (w.e.f March 21, 2018) | 19,200,000 | 100.00% | 19,200,000 | 100.00% |

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.

*All amount are in thousands INR*

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **10 Reserves and surplus** | | |
| Retained earnings | (492,932) | (471,959) |
| **Total reserves and surplus** | **(492,932)** | **(471,959)** |

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **Retained earnings** | | |
| Balance as at the beginning of the year | (471,959) | (452,808) |
| Additions during the year | (20,973) | (19,151) |
| **Balance as at the end of the year** | **(492,932)** | **(471,959)** |

| | As At March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **11 Borrowings** | | |
| Debt component of convertible redeemable preference shares | 70,265 | 63,877 |
| Loan from related parties* (refer below) | 157,650 | 8,600 |
| **TOTAL** | **227,915** | **72,477** |

| | As At March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **12 Short-term borrowings** | | |
| **Unsecured** | | |
| Loan from related parties* (refer (i) below) | - | 145,750 |
| **TOTAL** | **-** | **145,750** |

* Repayable on Demand within 3 years from date of reciept with interest @ 7.75% on Rs. 150,750,000 (March 31, 2021: Rs. 150,750,000) and interest @ 8.50% on Rs. 6,900,000 (March 31, 2021: Rs. 3,600,000) on ICD received from Samvardhana Motherson Innovative Solutions Limited.

| | As At March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **13 Trade payables** | | |
| Total outstanding dues of micro enterprises and small enterprises | 59 | - |
| enterprises | 21,423 | 21,615 |
| Less: Provision for written back | (5,059) | (5,059) |
| **Total** | **16,423** | **16,556** |

Note: 1. The information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSME Act") has been determined to the extent such parties have been identified on the basis of information available with the Company. As at March 31, 2021, no amounts have fallen due for payment to suppliers who have been registered under the MSME Act.

Note: 2. The creditor balances are subject to confirmation and adjustment.

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **14 Other financial liabilities** | | |
| **Current** | | |
| Employee benefits payable | 1,172 | 1,449 |
| Interest on loan received from related party | 36,368 | 25,349 |
| Audit fee payable | 29 | 27 |
| Other payables | 294 | 294 |
| **Total** | **37,863** | **27,119** |

*All amount are in thousands INR*

**15 Provisions**

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| For warranties | 902 | - | 902 | - |
| **Total** | **902** | **-** | **902** | **-** |

**Warranty**

Warranty provision relates to the estimated outflow in respect of warranty for products sold by the company due to the very nature of such costs it is not possible to estimate the timing / uncertainties relating to the outflows of economic benefits.

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

| | Warranty | |
|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 |
| **Opening Balance** | 902 | 902 |
| Additions during the year | - | - |
| Unwinding of discount | - | - |
| Utilised / Reversed during the year | - | - |
| **Closing Balance** | **902** | **902** |
| Classified as Non-Current | - | - |
| Classified as Current | 902 | 902 |

**16 Employee benefit obligations**

| | As at March 31, 2022 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Gratuity | 337 | 2,120 | - | 2,229 |
| Compensated absences | 1,318 | - | 1,239 | - |
| Total | **1,655** | **2,120** | **1,239** | **2,229** |

**17 Other current liabilities**

| | As at March 31, 2022 | As at March 31, 2020 |
|---|---|---|
| Advance from customer* | 9,043 | 9,043 |
| Statutory dues payable | 1,823 | 1,257 |
| | **10,866** | **10,300** |

* Mostly these advances were received from parties who have filed legal cases or sent notices to the company or were related with those projects.

*All amount are in thousands INR*

**18 Revenue from operations**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Sale of products** | | |
| Finished Goods | - | - |
| Sale of Services | - | - |
| **Total** | - | - |

**19 Other income**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Interest income from financial assets at amortised cost | 233 | 254 |
| Interest income- others | 368 | 3 |
| Miscellaneous income | 7,191 | 6,688 |
| **Total** | 7,792 | 6,945 |

**20 Employee benefit expenses**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salary, wages & bonus | 7,195 | 6,783 |
| Contribution to provident & other Fund | 467 | 437 |
| Gratuity (refer note 16) | 227 | 325 |
| Staff welfare expenses | - | - |
| **Total** | 7,889 | 7,545 |

**21 Finance cost**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Interest and finance charges on financial liabilities not at fair value through profit or loss | | |
| Interest on loan | 12,243 | 11,976 |
| Finance cost on liability portion of Preference shares | 6,388 | 5,807 |
| Other borrowing costs | 2 | 1 |
| **Total** | 18,633 | 17,784 |

**22 Depreciation and amortization expense**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Depreciation on property, plant and equipment (refer note 3) | 19 | 32 |
| **Total** | 19 | 32 |

**23 Other expenses**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Rates & taxes | 1,983 | 404 |
| Legal and professional fees | 52 | 113 |
| Payment to auditors* | 32 | 30 |
| Lease rent (refer note 32) | 129 | 129 |
| Travelling expenses | 1 | - |
| Insurance expenses | 27 | 59 |
| **Total** | 2,224 | 735 |

*** Payment to auditors:**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **As Auditor:** | | |
| Audit fees (including limited review) | 32 | 30 |
| Other audit and certification work to be done by statutory auditor | - | - |
| Reimbursement of expenses | - | - |
| **Total** | 32 | 30 |

*All amount are in thousands INR*

**24 Income tax expense**

| | For the year ended March 31, 2022 | March 31, 2021 |
|---|---|---|
| **(a) Income tax expense** | | |
| **Current tax** | | |
| Current tax on profit for the year | - | - |
| Adjustments for current tax of prior periods on completion of assessment | - | - |
| **Total current tax expense** | - | - |
| **Deferred tax** | | |
| Decrease / (increase) in deferred tax assets (net) | - | - |
| (Decrease) / increase in deferred tax liabilities | - | - |
| **Total deferred tax expense / (benefit)** | - | - |
| **Income tax expense** | - | - |

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

| | For the year ended March 31, 2022 | March 31, 2021 |
|---|---|---|
| Profit from continuing operations before income tax expense | (20,973) | (19,151) |
| **Tax at India's tax rate of 26% ( March 31, 2020: 26%)** | (5,452) | (4,979) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Tax effect of amounts which are not deductible in calculating taxable income (net off exempt incoi | - | - |
| Impact of unrecognised deferred tax asset | 3,899 | 4,883 |
| Effect of deferred tax | - | - |
| Others | 1,553 | 97 |
| **Income tax expense** | (0) | 0 |

**25 Earnings per share**

| | For the year ended March 31, 2022 | March 31, 2021 |
|---|---|---|
| Net profit after tax available for equity Shareholders | (20,973) | (19,151) |
| Weighted average number of equity shares used to compute basic earnings per share | 4,000,000 | 4,000,000 |
| **Basic earnings per share** | (5.24) | (4.79) |
| **Diluted earnings per share** | (5.24) | (4.79) |
| **Diluted Earnings Per Share** | - | - |

7% Optionally Convertible Cumulative Redeemable Preference Shares issued by the company are anti dilutive in nature and therefore not considered for the purpose of dilutive earning per share

*All amount are in thousands INR*

**26 Financial instruments by category**

| | March 31, 2022 | | | March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| **Financial assets** | | | | | | |
| Trade receivables | - | - | 3 | - | - | 3 |
| Cash and cash equivalents | - | - | 2,994 | - | - | 3,024 |
| Other financial assets | - | - | 4,326 | - | - | 3,383 |
| **Total financial assets** | - | - | **7,324** | - | - | **6,410** |
| **Financial Liabilities** | | | | | | |
| Borrowings | - | - | 157,650 | - | | 154,350 |
| Trade payable | - | - | 16,423 | - | | 16,556 |
| Other financial liabilities | - | - | 37,863 | - | | 27,119 |
| **Total financial liabilities** | - | - | **211,936** | - | - | **198,025** |

**i. Fair value hierarchy**

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

| | March 31, 2022 | | | March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | |
| Investments | - | - | - | - | - | - |
| Other financial assets | - | - | 30 | - | - | 30 |
| **Total financial assets** | - | - | **30** | - | - | **30** |

The carrying amounts of trade receivables, cash and bank balances, loans, other receivables, short term borrowings, security deposits received, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

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

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

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

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

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial Assets** | | | | |
| Other financial assets | 30 | 30 | 30 | 30 |
| | **30** | **30** | **30** | **30** |

The fair value of non-current financial assets and financial liabilities carried at amortized cost is calculated using discounted cash flow method. The fair value is substantially equal to carrying amount

**iii. Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

i) The carrying value of investments in deposits represents fair value since interest is at market rates.

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

27 **Additional disclosures required by Schedule III (Division II) of Companies Act 2013:**

**Key financial ratios:**

| **Particulars** | **As at 31st March 2022** | **As at 31st March 2021** |
|---|---|---|
| Current Ratio | 0.12 | 0.04 |
| Debt Equity Ratio | -0.79 | -0.28 |
| Debt Service Coverage Ratio | -0.01 | -0.04 |
| Return on Equity (ROE) | 0.08 | 0.07 |
| Inventory Turnover | 0 | 0 |
| Trade Receivable Turnover | 0 | 0 |
| Trade Payable Turnover | 0 | 0 |
| Net Capital Turnover | 0 | 0 |
| Net Profit Ratio | 0 | 0 |
| Return on Capital Employed | 0.02 | 0.01 |
| Return on Investments | 0 | 0 |

The ratios have been computed as below:

| | |
|---|---|
| **Current Ratio** | Current Assets = Total current assets as per financials |
| (Current Assets / Current Liabilities) | Current Liabilities = Total current liabilities as per financials |
| **Debt – Equity Ratio** | Debt = Long term borrowing, current maturities of long term borrowing and short term borrowing |
| [(Long term borrowing including current maturities + short term borrowing) / Share holder's equity] | Share holder's equity = Equity attributable to equity share holder |
| **Debt Service Coverage ratio** | |
| Earnings available fo Debt service / Debt Service | Earnings available fo Debt service = Net Profit after taxes + Non-Cash operating expenses (including depreciation and amortization)+interest expenses +other adjustments like loss on sale of fixed assets |
| | Debt Service = Current maturities of long term borrowing, interest expense (except Ind AS 116 finance cost) and lease payment |
| **Return on Equity ratio** | PAT = PAT as per financials |
| (Net Profits after taxes / Average Shareholder's Equity) | Share holder's equity = Equity attributable to equity share holder |
| **Inventory Turnover ratio** | Cost of goods sold = Cost of material consumed, Change in Inventory, Purchase of traded goods |
| (Cost of goods sold / Average inventories ) | Average inventories = Average of opening and closing inventories as per financials |
| **Trade Receivable Turnover Ratio** | Revenue from contract with customers |
| (Revenue from contract with customers / Average trade receivables) | Trade Receivables = Average Trade Receivables as per financials (Net of Provisions, ECL) |
| **Trade Payable Turnover Ratio** | Net credit purchases = Purchase of Raw material & Stock-in- Trade (Excluding spares & Consumables) |
| (Net Credit Purchases / Average trade payable ) | Trade Payable = Average Trade Payable as per financials |
| **Net Capital Turnover Ratio** | Revenue from contract with customers |
| (Revenue from contract with customers / Average working capital) | Average Working Capital = Average of Opening and closing |
| | Average Working Capital = [Current Assets less current liabilities (except current maturity of long term borrowings)] |
| **Net Profit ratio** | PAT = PAT as per financials |
| (Profit / (loss) for the period / Revenue from operations) | Revenue from Operations = Total revenue from operations |
| **Return on Capital Employed** | EBIT = Earnings before interest and taxes |
| (Earnings before interest and taxes / Average capital employed) | Average capital employed = Tangible net worth, Total Debt and Deferred Tax Liab |
| **Return on Investment** | Return on Investment = Dividend Income, Interest Income and Fair Value Gain (loss) |
| (Return on Investment / Investment) | Investments as per Balance Sheet |

*All amount are in thousands INR*

**28. Financial risk management**

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

**A Foreign currency risk:**

The exchange variations in India has mainly impacted the imports, but however the Company has arrangements with its major domestic customers for passing on the exchange impact on import purchase and has considerably increased its export sales during last few years to attain natural hedge. The Company also does selective hedging to hedge its risks associated with foreign currency.

The company does not have derivative instruments and unhedged foreign currency exposure as on closing of financial statements.

**B Interest rate risk:**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's does not have any long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

**(i) Interest rate risk exposure**

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

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Variable rate borrowings | - | - |
| Fixed rate borrowings | 157,650 | 154,350 |
| **Total borrowings** | 157,650 | 154,350 |

**C Credit risk:**

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

The carrying amount of financial assets represents the maximum credit exposure.

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

The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

**D Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure,as far as possible,that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions,without incurring unacceptable losses or risking damage to the Company's reputation.

**(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** |
|---|---|---|---|---|
| Borrowings | - | 157,650 | - | **157,650** |
| Trade payables | 16,423 | - | - | **16,423** |
| Other financial liabilities | 37,863 | - | - | **37,863** |
| **Total non-derivative liabilities** | **54,286** | **157,650** | **-** | **211,936** |

| **Year Ended March 31, 2021** | **Upto 1 year** | **1 to 5 years** | **More than 5 years** | **Total** |
|---|---|---|---|---|
| Borrowings | 145,750 | 8,600 | - | 154,350 |
| Trade payables | 16,556 | - | - | 16,556 |
| Other financial liabilities | 27,119 | - | - | 27,119 |
| **Total non-derivative liabilities** | **189,425** | **8,600** | **-** | **198,025** |

*All amount are in thousands INR*

**29. Capital management**

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

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

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Net Debt | 154,656 | 151,326 |
| EBITDA | (2,321) | (1,336) |
| **Net Debt to EBITDA** | (66.63) | (113.29) |

**30 (I). Related Party Disclosures**

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

**Entities having control over the company**
Samvardhana Motherson Innovative Solutions Limited
Samvardhana Motherson International Limited (SAMIL) (Ultimate Holding Company till January 20, 2022)
Motherson Sumi Systems Limited (Ultimate Holding Company effective from January 21, 2022 as SAMIL has got merged into MSSL w.e.f. 21st Jan 2022)

**Key Management Personnels**
**Directors of the Company**
Mr. Manish Kumar Goyal
Mr. Rohitash Gupta
Mr. Roopak Dharmvir Sharma

**Other KMPs of the Company**
Mr. Ajay Kumar Abbi (Manager)
Mr. Nikhil Singhal (CFO)

**Directors of Samvardhana Motherson Innovative Solutions Limited (SMISL):**
Mr. Ashok Tandon
Mr. Parthasarathy Srinivasan
Mr. Sanjay Mehta
Mr. Sanjay Kalia
Mr. Shailesh Prabhakar Prabhune
Ms. Madhu Bhaskar

**Key Managerial Personnel (KMP) of SMISL:**
Mr. Kumarpal Jawaharlal Kothari (CFO)
Mr. Vineeth Chandran (Manager)
Ms. Ritu Seth (Company Secretary)

**II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 30 (I) above:**

**(a) Transactions with related parties** *All amount are in thousands INR*

| Particulars | Entities having control over the company 31-Mar-22 | Key management personnel 31-Mar-22 | Total 31-Mar-22 | Entities having control over the company 31-Mar-21 | Key management personnel 31-Mar-21 | Total 31-Mar-21 |
|---|---|---|---|---|---|---|
| **Transactions during the year** | | | | | | |
| Inter corporate deposit received | 3,300 | 0 | **3,300** | 1,600 | - | **1,600** |
| Interest on Inter corporate deposit received | 12,243 | | **12,243** | 11,976 | | **11,976** |
| Legal and professional expenses (Sitting Fees) | - | - | - | - | 39 | **39** |
| Key managerial personnel compensation | - | 7,561 | **7,561** | - | 7,041 | **7,041** |

**(b) Balance outstanding as at the year end:**

| Particulars | Entities having control over the company 31-Mar-22 | Key management personnel 31-Mar-22 | Total 31-Mar-22 | Entities having control over the company 31-Mar-21 | Key management personnel 31-Mar-21 | Total 31-Mar-21 |
|---|---|---|---|---|---|---|
| **Amounts payable to related parties** | | | | | | |
| Interest on loan | 36,368 | - | **36,368** | 25,349 | - | **25,349** |
| Director's sitting fees | - | - | - | - | 39 | **39** |
| Long term borrowings | 157,650 | - | **157,650** | - | - | - |
| Short term borrowings | - | - | - | 154,350 | - | **154,350** |

*All amount are in thousands INR*

**31. Segment Information:**

**Description of segments and principal activities**

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

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

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

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| i) Revenue from external customers | | |
| India | - | - |
| Outside India | - | - |
| | - | - |

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

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| India | 9 | 28 |
| Outside India | - | - |
| | 9 | 28 |

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 |
|---|---|---|
| | - | - |

**32. Leases**

**Operating Leases:**
The Company has operating leases for vehicles. These lease arrangements are cancellable and for the period of 4 to 5 years, renewable for further period on mutually agreeable terms and also include escalation clauses.

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **With respect to all operating leases:** | | |
| Lease payments recognized in the Statement of Profit and Loss during the year | 129 | 129 |

*All amount are in thousands INR*

33. Trade payables

(i) In terms of notification no. G.S.R 719(E) dated September 4, 2015 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2022 are as follows:

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|
| **Balance of Trade payables as at the end of the year** | | |
| - Principal amount due to Micro, Small and Medium Enterprises | 59 | - |
| - Principal amount due to Others | 21,423 | 21,615 |
| | 21,482 | 21,615 |
| **Interest accrued and due as at the end of the year** | | |
| - Interest on payments due to Micro, Small and Medium Enterprises | - | - |
| - Interest on payments due to Others | - | - |
| - Interest due and payable on amounts paid during the year to | - | - |
| Micro, Small and Medium Enterprises | 0 | - |
| **Paid during the year** | | |
| Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date | | |
| - Principal amount | - | - |
| - Interest thereon | - | - |
| Interest on principal amount paid to others beyond the appointed date | - | - |
| **Others** | | |
| - Interest accrued in the prior year and paid during the year | - | - |
| | - | - |
| - Interest accrued in the prior years and remaining unpaid as at the end of the year | | |
| - Interest accrued during the year and remaining unpaid as at the end of the year | 0 | - |

(ii) **Trade Payables ageing schedule as at March 31, 2022**

| Particulars | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
|---|---|---|---|---|---|
| (i) MSME | 59 | - | - | - | 59 |
| (ii) Others | - | - | - | 21,423 | 21,423 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| | 59 | - | - | 21,423 | 21,482 |

**Trade Payables ageing schedule as at March 31, 2021**

| Particulars | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
|---|---|---|---|---|---|
| (i) MSME | - | - | - | - | - |
| (ii) Others | - | - | - | 21,615 | 21,615 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| | - | - | - | 21,615 | 21,615 |

*All amount are in thousands INR*

**34. Trade receivables**

| Particulars | | As at 31-Mar-22 | As at 31-Mar-21 |
|---|---|---|---|
| Outstanding for a period exceeding six months from the date they are due for payment | | | |
| - Unsecured, Considered good | | 3 | 3 |
| - Unsecured, Considered doubtful | | 91,885 | 91,885 |
| | | 91,888 | 91,888 |
| Less: Allowance for credit loss | | (91,885) | (91,885) |
| | Total | 3 | 3 |

**Trade Receivables ageing schedule as at March 31, 2022**

| Particulars | Less than 6 months | 6 months - 1 years | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | - | - | - | - | 3 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | 91,885 |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - |
| **Total** | - | - | - | - | 91,888 |

**Trade Receivables ageing schedule as at March 31, 2021**

| Particulars | Less than 6 months | 6 months - 1 years | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | - | - | - | - | 3 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | 91,885 |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - |
| **Total** | - | - | - | - | **91,888** |

*All amount are in thousands INR*

**35. Contingent liabilities:**

| Claims against the Company not acknowledged as debts | March 31, 2022 | March 31, 2021 |
|---|---|---|
| (a) Sales tax matters - Assessment under UPVAT Act (excluding interest) | - | 1,692 |

(b) Legal matters - Following cases / legal notices are pending against the company.
However the management is expecting the favorable results of the same.

| Complainent Name | Claim Amount (Rs.Thousand) | Case Description |
|---|---|---|
| Competent Conveyor System Pvt Ltd | 1,195 | Legal notice regarding payment of outstanding amount along with interest @ 24% per annum from date of last bill i.e. 03-08-2012 and Rs. 21,000/- as legal notice charges. |
| APMC Rajpipla | 3,430 | Recovery notice for payment of Rs. 1.34 crore plus Rs. 10,001/- as advoate fee sent by APMC Rajpipla. |
| Jagdish Singh | 3,966 | Jagdish Singh filed Consumer Complaint No. 11/235 of 2011 before State Consumer Redressal Commission at ITO in 2011 against M/s Sawastik Enterprises as O.P. No. 1 and MOZAR as O. P. No. 2 demanding compensation of Rs. 39,65,663/- alongwith the interest @ 18% p.a. O. P. No. 1 is the Sales Partner of MOZAR. By order dated 01.07.2016 the Comlaint was allowed. |
| Deptt of Agriculture Dharmanagar, Tripura | 14,602 | Contract number F.8 (10)- Agri(Engg)/N/2006-07/1054-66 dated 16.12.2010 - Rs 3,67,39,500 . Contract short closed by MOZAR. Department terminated the contract, forfeited the EMD, security deposit. Department sent Memorandum for realization of final demand / claim due to termination of contract - Rs. 1,46,01,870/- at the risk & cost of the contractor and excess payment made by way of Running account bills. |
| West Bengal State Marketing Board | Rs. 93,842/- (SMRPL has demanded Rs. 54,626/-) | Legal notice sent through Mr. Manoj Garg on 02.01.2015 w.r.t. reply to WBSMB letters dt. 23.05.2014 and 08.12.2014 towards recovery of dues of Rs. 5,46,26,132/- SLP filed in Supreme court through Adv K.V. Mohan for staying the appointment of arbitrator Petition was admitted and Hon'ble court has granted leave |

(i) The Company does not expect any reimbursements in respect of the above contingent liabilities

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

36. In view of carry forward tax loss / unabsorbed depreciation and absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised, the Company has recognised deferred tax asset only to the extent of the deferred tax liability.

**37. Accumulated losses and going concern:**
The accumulated losses of the company have fully eroded the capital of the company. The conditions present indicate the material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.
However, the management is not only confident to continue to provide services in the existing line but is also contemplating to undertake new business opportunities which has good potential in different entities including Government. The management is also confident that owing to developments anticipated for future and current resources availability in terms of money, manpower and other assets, the holding company shall support with sufficient funds to accomplish the above object and assuring growth in future.

38. Last year's financials were audited by a different firm of Chartered Accountants and thus the figures for the last year have been taken as it is.

As per our report of even date attached

For MANGLA ASSOCIATES
Chartered Accountants
Firm Registration No. 006796C

MANGLA ASSOCIATES FRN: 006796C CHARTERED ACCOUNTANTS

A. P. MANGLA
Partner
M. No. 080173
Place : NOIDA
Date: 18th May 2022
UDIN: 22080173AJFPON8063

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manish Kumar Goyal
Director
DIN No. 00256796

Rohitash Gupta
Director
DIN No. 01049454

Ajay Kumar Abbi
Manager
PAN. AFNPA1373E

Nikhil Singhal
CFO
PAN. AMHPS5339K