

Independent Auditor's Report

To the Members of Motherson Polymers Compounding Solutions Limited

1. Report on the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of Motherson Polymers Compounding Solutions Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit (including Other Comprehensive Income), its Cash Flows and Changes in Equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



3. Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

4. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by the report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards referred to in section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on 31st March 2019 and taken on record by Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

Place: New Delhi
Date: 24 May, 2019

For R K Khanna & Co.
Chartered Accountants
FRN 000033N



Vipin Bali
Partner
M.No. 083436

"Annexure A" of our Independent Auditor's report of even date on the Ind AS financial statements as at and for the year ended 31st March 2019 of Motherson Polymers Compounding Solutions Limited

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) A substantial part of the fixed assets has been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations, and the records provided to us, the company does not have immovable property, hence no comment is required under paragraph 3(i)(c) of the Order.
2. The Company has not held any inventory during the year, hence no comment is required under paragraph 3 (ii) of the Order.
3. During the year the Company has not granted any loans, secured or unsecured, to companies covered in the register maintained u/s 189 of the Act.
4. As per information and explanations given to us, the Company has not given any guarantee, loan, security or made any investment which fall under the provisions of section 185 and 186 of the Act, hence no comment is required under paragraph 3 (iv) of the Order.
5. According to the information and explanations given to us and records examined, the Company has not accepted any deposits that are covered by paragraph 3(v) of the Order.
6. According to the information and explanations given to us, Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013.
7. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income-tax, goods and services tax, custom duty, cess and other material statutory dues as applicable.



- b) According to the information and explanations given to us and the records of the Company examined by us, we report that the Company has no pending demands of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.
8. As per information and explanations furnished to us and on verification of the records produced, the Company has not taken any loan or borrowing from a financial institution/bank/government, hence no comment is required under paragraph 3 (viii) of the Order. The Company has not issued any debentures.
9. As per information and explanations given to us and as per verification of the records produced before us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments), hence no comment is required under paragraph 3 (ix) of the order.
10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.
11. As per information and explanations given to us and on examination of the records produced, the Company has not paid/provided managerial remuneration covered under section 197 of the Act. Hence, no comment is required under paragraph 3 (xi) of the Order.
12. The Company is not a Nidhi Company, hence, no comment is required under paragraph 3 (xii) of the Order.
13. As per information and explanations furnished to us and on examination of the records produced, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
14. As per information and explanations furnished to us and on verification of the records produced, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence, no comment is required under paragraph 3(xiv) of the Order.
15. As per information and explanations furnished to us and on verification of the records produced, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors or person connected with him during the year. Hence, no comment is required under paragraph 3(xv) of the Order.



16. As per information and explanations furnished to us and on verification of the records produced, we are of the opinion that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R K Khanna & Co.
Chartered Accountants
FRN 000033N**



**Place: New Delhi
Date: 24 May, 2019**

**Vipin Bali
Partner
M.No. 083436**

"Annexure B" to the Independent Auditor's report of even date on the Ind AS Financial Statements as at and for the year ended 31st March 2019 of Motherson Polymers Compounding Solutions Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Motherson Polymers Compounding Solutions Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally preparation of financial statements in accordance with generally expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has generally in most aspects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the



Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N



Place: New Delhi
Date: 24 May, 2019

Vipin Bali
Partner
M.No. 083436

MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED
CIN: U24297DL2013PLC249021
Balance sheet as on 31 March 2019
(All amounts are in ₹ , unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	35,304	5,29,045
Total non-current assets		35,304	5,29,045
Current assets			
Financial assets			
Trade receivables	4	28,19,960	7,62,037
Cash and cash equivalents	5	83,62,886	19,41,796
Other financial assets	6	1,96,740	2,07,762
Current tax assets	7	4,01,036	55,434
Other current assets	8	1,63,51,174	1,72,41,372
Total current assets		2,81,31,796	2,02,08,401
Total assets		2,81,67,100	2,07,37,446
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	11,84,62,500	11,84,62,500
Other equity			
Reserves and surplus	10	(10,49,96,187)	(11,18,56,003)
Total Equity		1,34,66,313	66,06,497
Non-current liabilities			
Employee benefit obligations	11	49,000	1,31,000
Total non-current liabilities		49,000	1,31,000
Current liabilities			
Financial liabilities			
Borrowings	12	99,00,000	99,00,000
Trade payables			
- Total outstanding dues of micro and small enterprises; and			
- Total outstanding dues other than micro and small enterprises		17,61,538	17,30,119
Other financial liabilities	13	18,40,375	11,49,369
Employee benefit obligations	11	4,000	2,00,191
Other current liabilities	14	11,45,874	10,20,270
Total current liabilities		1,46,51,787	1,39,99,949
Total equity and liabilities		2,81,67,100	2,07,37,446

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 of even date attached
Rohitash Gupta
 Director
 DIN: 01049454

Sanjay Mehta
 Director
 DIN: 03215388

For R K Khanna & Co.
 Chartered Accountants
 FRN 000033N

Place : Noida
Date : 24-May-2019

Vipin Bali
 Partner
 M. No. 083436


(All amounts are in ₹ , unless otherwise stated)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	15	1,72,80,000	27,71,656
Total income		1,72,80,000	27,71,656
Expenses			
Employee benefits expense	16	34,81,139	31,18,127
Finance costs	17	9,90,000	9,90,000
Depreciation	3	4,93,742	48,09,498
Other expenses	18	54,51,065	22,80,178
Total expenses		1,04,15,946	1,11,97,803
Profit/(loss) before tax		68,64,054	(84,26,147)
Tax expense	19		
Current tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		68,64,054	(84,26,147)
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligations		(4,238)	(15,724)
Total other comprehensive income, net of tax		(4,238)	(15,724)
Total other comprehensive income, for the year		68,59,816	(84,41,871)
Earnings/(loss) per equity share	20		
Nominal value per share : INR 10 (Previous year : INR 10)			
- Basic		0.58	(0.78)
- Diluted		0.58	(0.78)

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 of even date attached


Rohitash Gupta
Director
DIN: 01049454



Sanjay Mehta
Director
DIN: 03215388

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Place : Noida

Date : 24-May-2019




Vipin Bali
Partner
M. No. 083436



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED
CIN: U24297DL2013PLC249021
Statement of changes in Equity for the year ended 31 March 2019

(All amounts are in ₹ , unless otherwise stated)

A Equity Share Capital

	Note	Total
As at 01 April 2017	9	9,00,00,000.00
Changes in equity share capital		2,84,62,500.00
As at 31 March 2018	9	11,84,62,500.00
Changes in equity share capital		-
As at 31 March 2019	9	11,84,62,500.00

B Other Equity

	Note	Reserves and Surplus			Total
		Share Application	Retained Earning	Capital Reserve	
Balance at 01 April 2017	10	2,84,62,500	(18,29,51,632)	7,95,37,500	(7,49,51,632)
Profit / (loss) for the year		-	(84,26,147)	-	(84,26,147)
Other comprehensive income		-	(15,724)	-	(15,724)
Total comprehensive Income for the year		-	(84,41,871)	-	(84,41,871)
Transactions with owners in their capacity as owners					
Issue of equity shares		(2,84,62,500)	-	-	(2,84,62,500)
Balance at 31 March 2018	10	-	(19,13,93,503)	7,95,37,500	(11,18,56,003)
Profit / (loss) for the year		-	68,64,054	-	68,64,054
Other comprehensive income		-	(4,238)	-	(4,238)
Total comprehensive Income for the year		-	68,59,816	-	68,59,816
Transactions with owners in their capacity as owners					
Issue of equity shares		-	-	-	-
Balance at 31 March 2019	10	-	(18,45,33,687)	7,95,37,500	(10,49,96,187)


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

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

For and on behalf of the Board

As per our report of even date attached


Rohitash Gupta
 Director
 DIN: 01049454


Sanjay Mehta
 Director
 DIN: 03215388

For R K Khanna & Co.
 Chartered Accountants
 FRN 000033N

Place : Noida

Date : 24-May-2019



Vipin Bali
 Partner
 M. No. 083436



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED
CIN: U24297DL2013PLC249021
Cash flow statement for the year ended 31 March 2019
(All amounts are in ₹ , unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities:		
Net profit/(loss) before tax	68,64,054	(84,26,147)
Adjustments for:		
Other comprehensive income	(4,238)	(15,724)
Depreciation	4,93,742	48,09,498
Finance Cost	9,90,000	9,90,000
Employee benefits provision	(2,78,191)	1,31,000
Operating profit/(loss) before working capital changes	80,65,367	(25,11,373)
Change in working capital:		
Increase/(decrease) in trade payables	31,419	16,07,575
Increase/(decrease) in other current liabilities	(1,73,390)	(7,06,994)
(Increase)/decrease in other financial assets	11,022	(31,850)
(Increase)/decrease in other current assets	8,90,198	(1,34,928)
(Increase)/decrease in trade receivables	(20,57,924)	(7,62,037)
Cash generated from operations	67,66,692	(25,39,607)
- Taxes paid	(3,45,602)	(55,434)
- Tax refunded	-	-
Net cash generated from operations	64,21,090	(25,95,041)
Net cash generated from operating activities	64,21,090	(25,95,041)
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	-	-
Net cash used in investing activities	-	-
C. Cash flow from financing activities:		
Interest paid	-	-
Repayment of short term borrowings	-	-
Net cash used in financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	64,21,090	(25,95,041)
Net cash and cash equivalents at the beginning of the year	19,41,796	45,36,837
Cash and cash equivalents as at current year closing	83,62,886	19,41,796
Cash and cash equivalents comprise of the following		
Balance with banks	83,62,886	19,41,796
Cash and cash equivalents as per Balance Sheet	83,62,886	19,41,796

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.

For and on behalf of the Board


Rohitash Gupta
Director
DIN: 01049454


Sanjay Mehta
Director
DIN: 03215388

As per our report of even date attached

For R K Khanna & Co.
Chartered Accountants
FRN 000033N


Vipin Bali
Partner
M. No. 083436

Place : Noida
Date : 24-May-2019


Notes to the financial statements for the year ended 31 March 2019
(All amounts are in ₹, unless otherwise stated)

1. General Information

Motherison Polymers Compounding Solutions Limited (MPCSL) {formerly known as Samvardhana Motherison Nippisun Technology Limited} was incorporated with the main object of carrying on the business in the development, production, manufacturing, processing of synthetic resins compounding and on 28th June, 2013 a Joint Venture Agreement was entered into between Motherison Sumi System Limited (MSSL), Nippon Pigment(s) Pte Ltd (NPS) and Toyota Tsusho Corporation, Japan (TTC) with MSSL holding 49.5%, TTIPL holding 20.0% , TTC holding 11.0% and NPS holding 19.5% of the equity share capital of the company. In August 2014 the main object of the company was changed "to carry on the business in the development, manufacturing and sales of General Purpose and Engineering Plastic Products". Commercial production commenced on September 1st, 2014.

Issues inter-se the JV partners resulted in discontinuation of the business envisaged under the Joint Venture Agreement and the Joint Venture Agreement was formerly terminated on 30th March, 2017. Shareholding of the other JV partners was transferred to MSSL and the company became a wholly owned subsidiary of MSSL w.e.f 31st March, 2017.

The name of the company has been changed from "Samvardhana Motherison Nippisun Technology Limited" to "Motherison Polymers Compounding Solutions Limited" vide 'Certificate of Incorporation pursuant to change of name' dated 17th May, 2017 issued by Registrar of Companies, Delhi. The Company has resumed its operations from August 2017.

During the year an application for merger of the company with its holding company, Motherison Sumi Systems Limited, has been filed - refer Note 30.

2. Summary of significant accounting policies

2.1 Basis of preparation

(i) 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. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

The financial statements are presented in INR million and all values are rounded to the nearest million with two decimal places, except when otherwise stated.

(ii) Historical Cost Convention

These financial statements have been prepared on a historical cost basis, except for certain items that are measured at fair value at the end of each reporting period, as may be required by Ind AS.

2.2 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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:



Notes to the financial statements for the year ended 31 March 2019
(All amounts are in ₹, unless otherwise stated)

- 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 or at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

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.

2.3 Property, plant and equipment

2.2.1 Property, plant and equipment

Property, plant and equipment have been stated at cost less accumulated depreciation and impairment. Cost is inclusive of freight, taxes and other directly attributable costs of bringing the asset to the working condition for intended use.

In accordance with Indian Accounting Standard 16 "Property, Plant and Equipment", the Company charges assets costing less than INR 5,000 which could otherwise have been included as fixed asset, because the amount is not material.

2.2.2 Depreciation method and useful lives

Depreciation on property, plant and equipment is provided from the month the asset is ready for commercial production on a pro-rata basis on the straight line method over the estimated useful lives of the assets, as determined by the management or at the useful life prescribed under Schedule II of the Companies Act, 2013, whichever is lower as follows :

Assets	useful life (in years)
Leasehold improvements	over the period of lease
Plant & machinery, Factory equipment	15*
Plant & machinery – second hand	4
Mould & Dies	6.17
Electric installations	10
Office equipment	5
Furniture & fixtures	6
Computers	3
Vehicles	4

*Based on single shift working; depreciation is increased by 50 % or 100 % in case of double shift or triple shift working respectively.

2.2.3 Intangible assets

Intangible assets are stated as acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line over the 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 are recognised as income or expenses in the Statement of profit and loss.



Notes to the financial statements for the year ended 31 March 2019
(All amounts are in ₹, unless otherwise stated)

2.4 Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an assets or cash generating unit net selling price and its value in use.

For the purpose of assessing impairment, the 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. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

2.5 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All the borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using weighted average method. The cost of finished goods and work in progress comprises raw material, components, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

2.7 Foreign exchange transactions

Initial recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of monetary items are recognised in the Statement of profit and loss.



Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

2.8 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 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 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 recognised 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 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 recognised 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 recognised 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.

Sale of goods:

Measurement of revenue: Revenue is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer as per the terms of contract and are recognised Amounts disclosed as revenue are



Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Timing of recognition: The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of services:

Measurement of revenue: In contracts involving the rendering of services, revenue as per terms of the contracts is recognised net of service tax / goods and service tax. 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.

Timing of revenue: Revenue from services is recognised in the accounting period in which the services are rendered.

Interest Income

Interest Income is recognized on a proportion of time basis taking into account the principal outstanding and the rate applicable.

2.9 Employee benefits

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 employee based on the respective employee's salary and the tenure of employment. The company liability is actuarially determined (using the Projected unit Credit Method) at the end of each year. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

Compensated absences

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company liability is actuarially determined (using the Projected unit Credit Method) at the end of each year. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

Current and deferred tax

Current tax

Current Tax is provided on the basis of tax payable on estimated taxable income computed in accordance with the applicable provisions of Income Tax Act, 1961 after considering the benefits available under the said Act

Deferred tax



Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

In accordance with Ind AS 12- Income Taxes, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

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

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

2.10 Provisions and contingent liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the like hood of outflow of resources is remote, no provision or disclosure is made.

2.11 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease.

The company leases certain tangible assets and such leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the statement of profit and loss over the period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.12 Cash and cash equivalents

Cash comprises cash in hand, demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

2.13 Earnings per equity share

a. Basic EPS



Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

The earnings considered in ascertaining the company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

b.Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

2.14 Discontinuing Operations

A business operation is recognized as discontinuing operations in accordance with the provisions set forth in Indian Accounting Standard 105 on Discontinuing Operations.

2.15 Financial Instruments

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) 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 are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company



Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

Financial Liabilities

Classification



Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

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

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

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

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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



Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are discussed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemption for lessees- leases of 'low-value' assets (e.g., personal computers) and short- term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expenses on the right-of-use asset.

As the company does not have any leases, therefore the adoption of this standard will not have any material impact in its financial statements.



3. Property, plant and equipment

(All amounts are in ₹ , unless otherwise stated)

Particulars	Leasehold improvements	Plant and machinery	Plant and machinery (Second hand)	Electrical installation	Factory equipments	Mould and dies	Furnitures & fixtures	Office equipments	Computer	Vehicles	Total
Year ended 31 March, 2018											
Gross carrying amount											
Opening gross carrying amount as at 01 April, 2017	2,60,65,822	7,39,72,341	4,56,672	27,39,490	38,65,238	25,42,053	8,32,371	1,53,118	3,28,742	2,34,599	11,11,90,446
Addition	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at 31 March, 2018	2,60,65,822	7,39,72,341	4,56,672	27,39,490	38,65,238	25,42,053	8,32,371	1,53,118	3,28,742	2,34,599	11,11,90,446
Accumulated depreciation / impairment											
Opening accumulated depreciation / impairment as at 01 April, 2017	2,60,65,822	6,99,69,142	4,56,672	22,39,861	32,61,510	25,28,160	6,51,993	1,28,100	3,28,742	2,21,901	10,58,51,903
Depreciation charge during the year	-	38,65,738	-	2,88,371	4,50,558	13,893	1,53,622	24,618	-	12,698	48,09,498
Disposal	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation/ impairment as at 31 March, 2018	2,60,65,822	7,38,34,880	4,56,672	25,28,232	37,12,068	25,42,053	8,05,615	1,52,718	3,28,742	2,34,599	11,06,61,401
Net carrying amount as at 31 March, 2018	-	1,37,461	-	2,11,258	1,53,170	-	26,756	400	-	-	5,29,045
Year ended 31 March, 2019											
Gross carrying amount											
Opening gross carrying amount as at 01 April, 2018	2,60,65,822	7,39,72,341	4,56,672	27,39,490	38,65,238	25,42,053	8,32,371	1,53,118	3,28,742	2,34,599	11,11,90,446
Addition	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at 31 March, 2019	2,60,65,822	7,39,72,341	4,56,672	27,39,490	38,65,238	25,42,053	8,32,371	1,53,118	3,28,742	2,34,599	11,11,90,446
Accumulated depreciation / impairment											
Opening accumulated depreciation / impairment as at 01 April, 2018	2,60,65,822	7,38,34,880	4,56,672	25,28,232	37,12,068	25,42,053	8,05,615	1,52,718	3,28,742	2,34,599	11,06,61,401
Depreciation charge during the year	-	1,36,769	-	1,76,646	1,53,170	-	26,757	400	-	-	4,93,741
Disposal	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation / impairment as at 31 March, 2019	2,60,65,822	7,39,71,649	4,56,672	27,04,878	38,65,238	25,42,053	8,32,372	1,53,118	3,28,742	2,34,599	11,11,55,142
Net carrying amount as at 31 March, 2019	-	692	-	34,612	-	-	-	-	-	-	35,304



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED

CIN: U24297DL2013PLC249021

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹ , unless otherwise stated)

4. Trade receivables

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
-Related parties*	28,19,960	7,62,037
-Others	-	-
-Credit Impaired	-	-
	28,19,960	7,62,037
Less: allowances for credit loss	-	-
Total	28,19,960	7,62,037

* Due from holding company

5. Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Balances with banks		
- in Current accounts		
i) Axis Bank Ltd	82,75,353	18,38,468
ii) State Bank of India Ltd	87,533	1,03,328
Total	83,62,886	19,41,796

6. Other financial assets

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Security deposits	-	1,10,245
Other advances	1,96,740	97,517
Total	1,96,740	2,07,762

7. Current tax assets (net)

	As at 31 March 2019	As at 31 March 2018
Opening balance	55,434	-
Less: current tax payable for the year	-	-
Add: Taxes paid	3,45,602	55,434
Less: Income tax refund received	-	-
Total	4,01,036	55,434

8. Other current assets

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	18,260	1,01,158
Gratuity Fund with LIC	2,63,753	-
Balances with government authorities	1,60,69,161	1,71,40,214
Total	1,63,51,174	1,72,41,372



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED
CIN: U24297DL2013PLC249021
Notes to the financial statements for the year ended 31 March 2019
(All amounts are in ₹ , unless otherwise stated)
9. Equity share capital

	As at 31 March 2019	As at 31 March 2018
Authorized 15,000,000 Equity shares of ₹ 10/- each (Previous year 1,50,00,000 equity shares)	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000
Issued, subscribed and paid up 1,18,46,250 Equity shares of ₹ 10/- each, fully paid-up (Previous year 1,18,46,250 equity shares)	11,84,62,500	11,84,62,500
Total	11,84,62,500	11,84,62,500

(a) Movement in equity share capital

	Numbers	Amount
As at 01 April 2017	90,00,000	9,00,00,000
Issued during the year	28,46,250	2,84,62,500
As at 31 March 2018	1,18,46,250	11,84,62,500
Issued during the year		
As at 31 March 2019	1,18,46,250	11,84,62,500

(b) Rights, preferences & restrictions attached to shares

The Company currently has only one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible 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 shareholding.

(c) Details of shares held by share holders holding more than 5% of aggregate shares in the company

	As at 31 March 2019	As at 31 March 2018
Equity shares Motherson Sumi Systems Limited (including 600 shares held by nominees)		
No. of shares	1,18,46,250	1,18,46,250
% of shares	100.00%	100.00%
Total	1,18,46,250	1,18,46,250

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.

10. Reserves and Surplus

	As at 31 March 2019	As at 31 March 2018
i) Capital Reserve		
Opening balance	7,95,37,500	7,95,37,500
Additions during the year	-	-
Closing balance	7,95,37,500	7,95,37,500
ii) Retained earnings		
Opening balance	(19,13,93,503)	(18,29,51,632)
Profit/(loss) for the year	68,64,054	(84,26,147)
Remeasurements of post-employment benefit obligations	(4,238)	(15,724)
Closing balance	(18,45,33,687)	(19,13,93,503)
Total	(10,49,96,187)	(11,18,66,003)



MOTHEPERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED

CIN: U24297DL2013PLC249021

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹ , unless otherwise stated)

11. Employee benefit obligations

	As at 31 March 2019	As at 31 March 2018
Non current		
Leave encashment	49,000	1,31,000
	49,000	1,31,000
Current		
Gratuity	-	1,85,191
Leave encashment	4,000	15,000
Total	4,000	2,00,191

The Company has accounted for the long term defined benefits and contribution schemes as under :

i. Defined benefit schemes:

a. Gratuity

The employees are entitled to gratuity that is computed as half-month's salary, for every completed year of service and is payable on retirement/termination. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation

b. Leave encashment /compensated absences

The employees are entitled for leave for each year /part thereof of service and subject to the limits specified, the un-availed portion of such leaves can be accumulated or encashed during /at the end of the service period. The plan is unfunded

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

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Obligations at year beginning	1,85,191	1,46,000	2,88,000	2,51,000
Service cost – current	4,64,587	(93,000)	(1,02,809)	(1,05,000)
Interest cost	-	-	-	-
Deletion due to transfer of employee	4,34,310	-	-	-
Actuarial (gain) / loss	4,238	-	-	-
Benefit paid	-	-	-	-
Obligations at year end	2,19,706	53,000	1,85,191	1,46,000
Change in plan assets	-	-	-	-
Plan assets at year beginning, at fair value	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Contributions	87,706	-	-	-
Benefits paid	-	-	-	-
Plan assets at year end, at fair value	87,706	-	-	-
Reconciliation of present value of obligation and the fair value of the plan assets	-	-	-	-
Present value of the defined obligations at the end of the year as per actuarial valuation	2,19,706	53,000	1,85,191	1,46,000
Fair value of the plan assets at the end of the year	87,706	-	-	-
Financial status/difference	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Asset / (Liability) recognised in the balance sheet	(1,32,000)	(53,000)	(1,85,191)	(1,46,000)
Defined benefit obligations cost for the year				
Service cost – current	68,834	(93,000)	(1,02,809)	(1,05,000)
Interest cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss	4,238	-	-	-
Net defined benefit obligations cost	73,072	(93,000)	(1,02,809)	(1,05,000)

The principal assumptions used in determining post-employment benefit obligations are shown below:

	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	7.40%	7.60%
Future salary increases	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED

CIN: U24297DL2013PLC249021

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹ , unless otherwise stated)

12. Short term borrowings

	As at 31 March 2019	As at 31 March 2018
Unsecured:		
Loan from holding company - Rupee loan*	99,00,000	99,00,000
Total	99,00,000	99,00,000

*The interest rate is 10% per annum and shall pay accrued interest on half yearly basis

13. Other financial liabilities

	As at 31 March 2019	As at 31 March 2018
Interest accrued and due on borrowings	17,82,000	8,91,000
Employee benefits payable	58,375	2,58,369
Total	18,40,375	11,49,369

14. Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	2,00,047	1,24,443
Expenses payable	9,45,827	8,95,827
Total	11,45,874	10,20,270



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED

CIN: U24297DL2013PLC249021

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹ , unless otherwise stated)

15. Revenue from operations (Net)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Other operating revenue		
-Job work income	1,72,80,000	27,71,656
Total	1,72,80,000	27,71,656

16. Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salary, wages and bonus	32,71,520	26,88,547
Contribution to provident fund	1,32,595	1,50,201
Gratuity (refer note 11)	68,834	2,31,140
Staff welfare	8,190	48,239
Total	34,81,139	31,18,127

17. Finance cost

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on loan from holding company	9,90,000	9,90,000
Total	9,90,000	9,90,000

18. Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	39,54,070	12,15,444
Repairs and maintenance - Building	6,64,802	-
Repairs and maintenance - others	41,706	21,442
Lease rent (vehicle -operating leases)	-	1,18,271
Rates & taxes	33,200	3,87,744
Insurance	1,57,284	76,686
Donation	11,701	11,001
Travelling	22,593	6,493
Payment to auditors*	50,000	1,00,000
Legal & professional expenses	2,08,000	12,711
Security service	2,90,904	3,02,885
Miscellaneous expenses	16,805	27,501
Total	54,51,065	22,80,178



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED
CIN: U24297DL2013PLC249021
Notes to the financial statements for the year ended 31 March 2019
(All amounts are in ₹ , unless otherwise stated)
***Payment to auditors**

Audit fee	50,000	1,00,000
Total	50,000	1,00,000

19. Income tax expense

Tax disclosures for the year ended 31 March 2019 under Ind AS 12

Deferred tax asset (net)

The company has carried out a computation of deferred tax asset / liability; details as given below:

Particulars	For the Year
Timing differences on account of :	
Depreciation on fixed assets	2,19,95,011
Provision for gratuity	-
Provision for leave encashment	-
Unabsorbed depreciation & brought forward business losses	1,60,63,107
Net deferred tax asset*	3,80,58,118

* Company has not recognized above deferred tax asset in absence of virtual certainty of realisation of the same.

Income tax expense recognised in the profit and loss	31 March 2019	31 March 2018
In respect of current year	-	-
Total	-	-

Reconciliation of tax expense with the effective tax rate

	31 March 2019	31 March 2018
Profit / (loss) before tax	68,64,054	(84,26,147)
Calculated tax at applicable income tax rate*	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for current tax of prior periods	-	-
Other adjustments	-	-
Income tax expense	-	-

* Due to business losses and unabsorbed depreciation of previous years there is no income tax payable for the year



(All amounts are in ₹ , unless otherwise stated)

20. Earnings per equity share

	For the year ended 31 March 2019	For the year ended 31 March 2018
'Net profit / (loss) after tax	68,64,054	(84,26,147)
'Weighted average number of equity shares for basic EPS	1,18,46,250	1,08,24,719
Basic earnings per share	0.58	(0.78)
Diluted earnings per share*	0.58	(0.78)

* The company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED
CIN: U24297DL2013PLC249021
Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹ , unless otherwise stated)

21. Fair value measurements

Financial Instruments by category

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018			
	FVPL	FVOCI	Amortised cost	Total	FVPL	FVOCI	Amortised cost	Total
Financial assets:								
Trade receivables*	-	-	28,19,960	28,19,960	-	-	7,62,037	7,62,037
Cash and cash equivalents*	-	-	83,62,886	83,62,886	-	-	19,41,796	19,41,796
Other financial assets*	-	-	1,96,740	1,96,740	-	-	2,07,762	2,07,762
Total financial assets	-	-	1,13,79,586	1,13,79,586	-	-	29,11,595	29,11,595
Financial liabilities:								
Borrowings*	-	-	99,00,000	99,00,000	-	-	99,00,000	99,00,000
Trade payables*	-	-	17,61,538	17,61,538	-	-	17,30,119	17,30,119
Other financial liabilities*	-	-	18,40,375	18,40,375	-	-	11,49,369	11,49,369
Total financial liabilities	-	-	1,35,01,913	1,35,01,913	-	-	1,27,79,488	1,27,79,488

*The carrying amounts of trade receivables, cash & cash equivalents, borrowings, trade payables and other financial assets and liabilities are considered to be the same as fair value due to their short term maturities



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED**CIN: U24297DL2013PLC249021****Notes to the financial statements for the year ended 31 March 2019****(All amounts are in ₹ , unless otherwise stated)****22. Maturities of financial liabilities:**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities

31 March, 2019	Upto 1 Year	1-5 Years	More than 5 years	Total
Non-derivatives				
Trade and other payables	17,61,538	-	-	17,61,538
Borrowings	99,00,000	-	-	99,00,000
Other financial liabilities	18,40,375	-	-	18,40,375
Total	1,35,01,913	-	-	1,35,01,913

31 March, 2018	Upto 1 Year	1-5 Years	More than 5 years	Total
Non-derivatives				
Trade and other payables	17,30,119	-	-	17,30,119
Borrowings	99,00,000	-	-	99,00,000
Other financial liabilities	11,49,369	-	-	11,49,369
Total	1,27,79,488	-	-	1,27,79,488

23. Given the present level and the operations of the company, disclosures regarding financial risk management and capital management are not relevant.



Notes to the financial statements for the year ended 31 March 2019
(All amounts are in ₹, unless otherwise stated)

24. Related party disclosures

Related party disclosures are given below:

RELATIONSHIP WHERE CONTROL EXISTS:

A. Entity having control over the entity

Motherhood Sumi Systems Limited (Holding company)

B. Other related parties

Motherhood Air Travel Agencies Ltd.
Youngshin Motherhood Auto Tech limited

Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned above:

Nature	Party Name	2018-19	2017-18
Services provided	Motherhood Polymer Solutions (A division of Motherhood Sumi Systems Limited)	1,72,80,000	27,71,656
Reimbursement (net)	Motherhood Automotive Technology and Engineering (A division of Motherhood Sumi Systems Limited)	95,764	8,14,019
	Motherhood Polymer Solutions (A division of Motherhood Sumi Systems Limited)	3,18,629	50,760
Travelling Expenses	Motherhood Air Travel Agencies Limited	18,536	-
Miscellaneous expense (Generator fuel expense)	Motherhood Polymer Solutions (A division of Motherhood Sumi Systems Limited)	39,54,070	12,15,444
Repair & Maintenance	Motherhood Polymer Solutions (A division of Motherhood Sumi Systems Limited)	6,64,802	-
Interest expense	Motherhood Sumi Systems Limited	9,90,000	9,90,000
Equity shares issued	Motherhood Sumi Systems Limited	-	2,84,62,500
Balances at year end			
Loan payable	Motherhood Sumi Systems Limited	99,00,000	99,00,000
Interest payable	Motherhood Sumi Systems Limited	17,82,000	8,91,000
Trade payables	Motherhood Polymer Solutions (A division of Motherhood Sumi Systems Limited)	10,82,901	14,39,262
	Motherhood Air Travel Agencies Limited	33,588	-
	Motherhood Automotive Technology and Engineering (A division of Motherhood Sumi Systems Limited)	2,63,956	1,68,192
Expenses Payable	Motherhood Automotive Technology and Engineering (A division of Motherhood Sumi Systems Limited)	6,45,827	6,45,827
Trade receivables	Motherhood Polymer Solutions (A division of Motherhood Sumi Systems Limited)	28,19,960	7,62,037



Name of related parties with whom transaction exceeds 10% of the total related party transactions of the same type :-

Notes to the financial statements for the year ended 31 March 2019
(All amounts are in ₹, unless otherwise stated)

S. No	Particulars	Parties mentioned in 24 (A) above		Parties mentioned in 24 (B) above	
		Current Year	Previous Year	Current Year	Previous Year
1	Sales of product	1,72,80,000	27,71,656	-	-
2	Reimbursement (Net)	4,14,393	8,64,779	-	-
3	Miscellaneous Exp (Gen Fuel Exp)	39,54,070	12,15,444	-	-
4	Repair & Maintenance	6,64,802	-	-	-
5	Travelling Expenses	-	-	18,536	-
6	Issue of equity share capital	-	2,84,62,500	-	-
7	Interest expense	9,90,000	9,90,000	-	-
Balances at year end					
8	Loan payable	99,00,000	99,00,000	-	-
9	Interest Payable	17,82,000	8,91,000	-	-
10	Trade payables	13,80,445	16,07,454	33,588	-
11	Expenses Payable	6,45,827	6,45,827	-	-
12	Trade receivables	28,19,960	7,62,037	-	-

25. Due to micro, small & medium enterprises

The Company has no dues payable to enterprises covered under Micro, Small & Medium Enterprises Development Act, 2006.

26. The company operates through a single segment, i.e. development, manufacturing and sales of general purpose and engineering plastic products in India. Hence, requirement of Ind AS-108, "Operating Segments" is not applicable.

27. Contingent liabilities : Nil

28. Compounding of delay in holding AGM : for financial year 2015-16, the approval of financial statements by the board of directors and adoption thereof at the annual general meeting of the company was beyond the timelines stipulated under Companies Act, 2013. The company submitted a petition before the National Company Law Tribunal, New Delhi for condonation and compounding of the delays and vide Order dated 9 July 2018 NCLT, New Delhi condoned the delays levying a compounding fee of INR 25,000 on the company which has been paid.

29. Capital commitments

There are no capital commitments present as on 31 March 2019.

30. Merger of the company with its holding company, Motherson Sumi Systems Limited:

The Board of Directors of the Company at their meeting held on August 6, 2018 and February 1, 2019 have approved the merger of Motherson Polymers Compounding Solutions Limited (Transferor Company) with Motherson Sumi Systems Limited (Transferee company). Appointed date is April 1, 2018. Accordingly, the Transferor Company has filed the petition along with the Scheme of Amalgamation with the Hon'ble National Company Law Tribunal (NCLT), New Delhi and Transferee Company has filed the petition along with the Scheme of Amalgamation with the Hon'ble NCLT, Mumbai. The merger is under process.



MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LTD
CIN: U24297DL2013PLC249021

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in ₹, unless otherwise stated)

31.Figures of the previous year have been regrouped / recast wherever necessary.

For and on behalf of the Board



Rohitash Gupta
Director
DIN:01049454



Sanjay Mehta
Director
DIN:03215388

For R K Khanna & Co.
Chartered Accountants
FRN 000033N



Place: Noida

Date: 24-May-2019

Vipin Bali
Partner
M. No. 083436