

Balance Sheet

(All amounts in INR Hundred, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,798	-
Intangible assets	4	3,485	-
Deferred tax assets (net)	5	749	-
Total non-current assets		8,032	-
Current assets			
Financial assets			
i) Trade receivables	6	29,183	-
ii) Cash and cash equivalents	7	99,088	1,563
iii) Other financial assets	8	13,616	-
Other current assets	9	26,839	-
Total current assets		168,726	1,563
Total Assets		176,758	1,563
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	5,000	5,000
Other equity			
Reserves and surplus	11	10,395	(4,044)
Total equity		15,395	956
Liabilities			
Non-current liabilities			
Employee benefit obligations	12	14,173	-
Total non-current liabilities		14,173	-
Current liabilities			
Financial liabilities			
i) Trade Payable	13	-	-
-Total outstanding dues of micro, small and medium enterprises and		-	-
-Total outstanding dues of creditors other than micro, small and medium enterprises		119,280	607
ii) Other financial liabilities	14	7,056	-
Employee benefit obligations	12	412	-
Current tax liabilities (net)	15	6,414	-
Other current liabilities	16	14,028	-
Total current liabilities		147,190	607
Total liabilities		161,363	607
Total equity and liabilities		176,758	1,563
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm Registration Number: 301003E/E300005

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

per Rajeev Sawhney
Partner
Membership No.: 096333

Pankaj Mital
Director
DIN: 00194931

Rajat Jain
Director
DIN: 00658228

Place : New Delhi
Date : July 31, 2020

Place : Noida
Date : July 31, 2020

Place : Noida
Date : July 31, 2020

Statement of Profit and Loss

(All amounts in INR Hundred, unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE			
Revenue from contract with customers	17	219,267	-
Other income	18	5,995	-
Total revenue		225,262	-
EXPENSES			
Employee benefits expense	19	53,829	-
Finance costs	20	696	6
Depreciation and amortization expense	21	671	-
Other expenses	22	150,204	445
Total expenses		205,400	451
Profit/ (loss) before tax		19,862	(451)
Tax expenses	23		
-Current tax		5,882	-
-Deferred tax		(676)	-
Profit (loss) for the year		14,656	(451)
Other comprehensive income			
Items not to be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	12	(290)	-
Deferred tax on Remeasurements of post-employment benefit obligations	5	73	-
Other comprehensive income for the year (net of tax)		(217)	-
Total comprehensive income for the year (net of tax)		14,439	(451)
Earning per share (refer to note 24)			
Nominal value per share Rs. 10 (previous year Rs. 10)			
Basic		28.88	(0.90)
Diluted		28.88	(0.90)
Summary of significant accounting policies	2.1		

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

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Statement of changes in equity

(All amounts in INR Hundred, unless otherwise stated)

A. Equity share capital	Amount
As at April 01, 2018	5,000
Changes in equity share capital	-
As at March 31, 2019	5,000
Changes in equity share capital	-
As at March 31, 2020	5,000
B. Other equity	
	Retained earning
Balance as at April 01, 2018	(3,593)
Profit/(loss) for the year	(451)
Other comprehensive income	-
Total comprehensive income for the year	(451)
Balance at March 31, 2019	(4,044)
Profit/(loss) for the year	14,656
Other comprehensive income	(217)
Total comprehensive income for the year	14,439
Balance at March 31, 2020	10,395

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

As per our report of even date

For S.R. Batliboi & Co. LLP

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Cash Flow Statement

(All amounts in INR Hundred, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities:		
Profit before tax	19,862	(451)
Adjustment to reconcile profit before tax to net cash flow:		
Depreciation and amortisation	671	-
Finance costs	164	6
Liabilities no longer required written back	(58)	-
Unrealised foreign exchange gain (net)	(4,303)	-
Operating profit/ (loss) before working capital adjustment	16,336	(445)
Movement in working capital:		
Increase/(decrease) in trade payables	118,726	58
Increase/(decrease) in other payables	28,855	-
Increase/(decrease) in other financial liabilities	7,056	-
(Increase)/decrease in trade receivables	(24,875)	-
(Increase)/decrease in other current financial assets	(13,616)	-
(Increase)/decrease in other receivables	(26,839)	-
Cash generated from/ (used in) operations	105,643	(387)
Taxes paid	-	-
Net cash flows from operating activities (A)	105,643	(387)
Cash flow from investing activities		
Purchase of fixed assets	(7,954)	-
Net cash used in investing activities (B)	(7,954)	-
Cash flow from financing activities		
Finance costs	(164)	(6)
Net cash used in financing activities (C)	(164)	(6)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	97,525	(393)
Cash and cash equivalents at the beginning of the Year	1,563	1,956
Cash and cash equivalents at the end of the Year	99,088	1,563
Cash and Cash equivalents comprise of:		
Balance with banks		
Funds in transit	46,400	-
Current accounts	52,688	1,563
Total Cash and Cash Equivalents	99,088	1,563

- Notes:**
- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows" notified under section 133 of the Companies Act, 2013.
 - Figures in brackets indicate Cash Outflow.
 - The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

ICAI Firm Registration Number: 301003E/E300005

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Notes to the Financial Statements

1. General Information

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

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on July 31, 2020.

2.1 Significant accounting policies

(a) 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 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement. These financial statements have been prepared on a historical cost basis.

(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(c) Foreign currencies

(i) Functional and presentation currency

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

Notes to the Financial Statements

(ii) Transactions and balances

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

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

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

(d) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of services

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

(e) Income tax

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

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

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

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

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

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

Notes to the Financial Statements

(f) Leases

Pursuant to the notification by the Ministry of Corporate Affairs, The Company adopted IND AS 116 effective from April 1, 2019, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

As a lessee

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

i) Right-of-use assets

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

The Company has leases contracts for premises. These lease arrangements for premises are for a period upto 11 months. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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

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

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

Key assumptions that the Company is applying for implementing the standard are as follows:

Terms: for each contract, the Company reviewed the renewal and the early termination options within the term of the arrangement and determined, after taking into account all the relevant facts and circumstances, what would be the date at which the Company reasonably expects the contract to be terminated. For certain categories of leased assets, (mainly vehicles), the Company assesses that there is no reasonably certain extension option, consequently the duration selected coincides with the first term of the lease contract. For real estate lease arrangements, the Company defines the reasonable end date of the contracts, while taking into account the renewal and early termination options stated in the agreements, in line with the asset's expected period of use.

Notes to the Financial Statements

Discount rates: the Company determined discount rates reflecting each subsidiary's specific credit risk, the currency of the contract and the weighted average maturity of the reimbursement of the lease liability. For the transition the incremental borrowing rate used is the rate applicable to the residual terms of the contracts. For contracts previously classified as finance leases the Company has recognised the carrying amount of the right of use assets and lease liability at the date of initial application.

(g) 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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance sheet.

(h) Impairment of non-financial assets

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

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

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

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

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

(i) Property, Plant and equipment

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

Notes to the Financial Statements

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized on transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation methods and useful lives

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

Assets	Useful lives (years)
Furniture & Fixtures	6 Years
Office Equipment	5 Years
Computer	3 Years
Vehicles	4 Years

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

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

(j) Intangible assets

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

The useful live of intangible assets are as follows:

Assets	Useful lives (Years)
Software	3 Years

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(k) Research and development costs

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

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

Notes to the Financial Statements

Cost incurred by the Company for Research and Development do not meet the recognition criteria and hence have been classified as research costs and are expensed of in the statement of profit and loss as and when these are incurred.

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

(l) Provisions and Contingent liabilities

Provisions

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

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

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities

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

(m) Employee benefits

Short-term obligations

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

Provident Fund & Employee State Insurance

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

Gratuity

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

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the

Notes to the Financial Statements

estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

Compensated Absences

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

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

(n) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

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

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

(p) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Indian Rupee in hundreds.

2.2 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Notes to the Financial Statements

Estimates and assumptions

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

(i) Defined benefit plans

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

Further details about gratuity obligations are disclosed in Note 12.

(ii) Taxes

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

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3. Property, plant and equipment

Particulars	Furniture & fixtures	Office equipments	Computers	Total
Year ended March 31, 2019				
Gross carrying amount				
Addition	-	-	-	-
Disposal	-	-	-	-
Other adjustments	-	-	-	-
Closing gross carrying amount	-	-	-	-
Accumulated depreciation				
Depreciation charge during the year	-	-	-	-
Disposals	-	-	-	-
Other adjustment	-	-	-	-
Closing accumulated depreciation	-	-	-	-
Net carrying amount as at March 31, 2019	-	-	-	-
Year ended March 31, 2020				
Gross carrying amount				
Opening gross carrying amount	-	-	-	-
Addition	1,942	1,007	1,205	4,154
Disposal	-	-	-	-
Closing gross carrying amount	1,942	1,007	1,205	4,154
Accumulated depreciation				
Opening accumulated depreciation	-	-	-	-
Depreciation charge during the year	117	50	189	356
Disposals	-	-	-	-
Other adjustment	-	-	-	-
Closing accumulated depreciation	117	50	189	356
Net carrying amount as at March 31, 2020	1,825	957	1,016	3,798

4. Intangible assets

Particulars	Software	Total
Year ended March 31, 2019		
Gross carrying amount		
Addition	-	-
Disposal	-	-
Other adjustments	-	-
Closing gross carrying amount	-	-
Accumulated amortisation		
Amortisation charge during the year	-	-
Disposals	-	-
Other adjustment	-	-
Closing accumulated amortisation	-	-
Net carrying amount as at March 31, 2019	-	-
Year ended March 31, 2020		
Gross carrying amount		
Opening gross carrying amount	-	-
Addition	3,800	3,800
Disposal	-	-
Closing gross carrying amount	3,800	3,800
Accumulated amortisation		
Opening accumulated amortisation	-	-
Amortisation charge during the year	315	315
Disposals	-	-
Other adjustment	-	-
Closing accumulated amortisation	315	315
Net carrying amount as at March 31, 2020	3,485	3,485

5. Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Provision for employee benefit obligations	876	-
Deferred tax liabilities		
Property, plant and equipment	(127)	-
Total	749	-

Movement in Deferred tax assets

	As at April 01, 2019	(Charge)/ credit to Statement of Profit and Loss	(Charge)/credit to other comprehensive income	As at March 31, 2020
Year ended March 31, 2020				
Property, plant and equipment and intangible assets	-	(127)	-	(127)
Employee benefit provisions	-	803	73	876
Total deferred tax assets	-	676	73	749
Recognised deferred tax assets/(liabilities) (net)	-	676	73	749

	As at April 01, 2018	(Charge)/ credit to Statement of Profit and Loss	(Charge)/credit to other comprehensive income	As at March 31, 2019
Year ended March 31, 2019				
Property, plant and equipment and intangible assets	-	-	-	-
Employee benefit provisions	-	-	-	-
Total deferred tax assets	-	-	-	-
Recognised deferred tax assets/(liabilities) (net)	-	-	-	-

6. Trade receivables

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Trade receivable from related parties (refer to note 29)	29,183	-
Total	29,183	-

7. Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
-in current account	52,688	1,563
Funds in transit	46,400	-
Total	99,088	1,563

8. Other financial assets

	March 31, 2020		March 31, 2019	
	Current	Non-Current	Current	Non-Current
(Unsecured, considered good unless otherwise stated)				
Security deposits to related parties (refer to note 29)	13,616	-	-	-
Total	13,616	-	-	-

9. Other current assets

	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Balance with government authorities	26,839	-
Total	26,839	-

10. Equity Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised		
50,000 (March 31,2019: 50,000) equity shares of Rs.10 each	5,000	5,000
	5,000	5,000
Issued, subscribed and fully paid up		
50,000 (March 31,2019: 50,000) equity shares of Rs.10 each	5,000	5,000
Total	5,000	5,000

a. Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance as at the beginning of the year	50,000	5,000	50,000	5,000
Issued during the year	-	-	-	-
Balance as at the end of the year	50,000	5,000	50,000	5,000

b. Rights, preferences and restrictions attached to equity shares

The Company 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. 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.

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. The distribution will be in proportion to their shareholding.

c. Shares held by ultimate holding company

	As at March 31, 2020	As at March 31, 2019
Equity shares of Rs. 10 each fully paid up Motherson Sumi Systems Limited (including 6 shares held by its nominee)		
No. of shares held	50,000	50,000
Amount	5,000	5,000

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	%	No. of shares	%
Equity shares of Rs. 10 each fully paid up Motherson Sumi Systems Limited (including 6 shares held by its nominee)	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

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

11. Reserves and surplus

		As at March 31, 2020		As at March 31, 2019
Retained Earnings				
Balance as at the beginning of the year	(4,044)		(3,593)	
Additions during the year	14,439		(451)	
Balance as at the end of the year		10,395		(4,044)
Total		10,395		(4,044)

12. Employee benefit obligations

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity	147	7,502	-	-
Compensated absences	265	6,671	-	-
Total	412	14,173	-	-

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

A. Defined Benefit Schemes

Gratuity

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

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

(i) Present Value of Defined Benefit Obligation

	For the year ended March 31, 2020	For the year ended March 31, 2019
Obligations at year beginning	-	-
Service Cost - Current	2,161	-
Interest expense	-	-
Amount recognised in profit or loss	2,161	-
Remeasurements		
Actuarial (gain) / loss on obligation	290	-
Amount recognised in other comprehensive income	290	-
Additions due to transfer of employees	5,198	-
Obligations at year end	7,649	-

(ii) Assets and liabilities recognized in the Balance Sheet

	For the year ended March 31, 2020	For the year ended March 31, 2019
Present Value of the defined benefit obligations	7,649	-
Amount recognized as Liability	7,649	-

(iii) Defined benefit obligations cost for the year:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Service Cost - Current	2,161	-
Interest Cost	-	-
Actuarial (gain) / loss	290	-
Net defined benefit obligations cost	2,451	-

(iv) Actuarial assumptions:

	March 31, 2020	March 31, 2019
Discount Rate per annum	6.76%	-
Future salary increases	8.00%	-

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

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

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined benefit obligations	7,649	-	-	-	-
	7,649	-	-	-	-

(v) **Sensitivity Analysis**

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

	Change in Assumption			Increase in Assumption			Decrease in Assumption	
	March 31, 2020	March 31, 2019	Impact	March 31, 2020	March 31, 2019	Impact	March 31, 2020	March 31, 2019
Discount rate per annum	0.50%	-	Decrease by	(564)	-	Increase by	620	-
Future salary increases	0.50%	-	Increase by	610	-	Decrease by	(560)	-

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

(vi) **Risk exposure**

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

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

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

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

(vii) **Defined benefit liability and employer contributions**

Weighted average duration of the defined benefit obligation is 17.51 years

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020	147	217	641	6,644	7,649
Defined benefit obligation (gratuity)					

B. Defined Contribution Schemes

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

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

	March 31, 2020	March 31, 2019
Provident fund paid to the authorities	1,900	-
	1,900	-

13. Trade Payable

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		
-Related parties (refer to note 29)	117,168	-
-Others	2,112	607
Total	119,280	607

14. Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
Employee benefits payable	7,056	-
Total	7,056	-

15. Current tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019
Current tax	6,414	-
Total	6,414	-

16. Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory dues including provident fund and tax deducted at source	14,028	-
Total	14,028	-

17. Revenue from contracts with customers

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of services		
-Within India	-	-
-Outside India	219,267	-
Total	219,267	-

18. Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Exchange fluctuation-net	5,937	-
Miscellaneous Income	58	-
Total	5,995	-

19. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary, wages and bonus	51,791	-
Contribution to provident & other funds (refer to note 12)	1,900	-
Staff welfare expenses	138	-
Total	53,829	-

20. Finance costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on income tax	532	-
Bank charges	164	6
Total	696	6

21. Depreciation and amortization expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment	356	-
Amortisation of intangible assets	315	-
Total	671	-

22. Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Design and development charges	4,816	-
Rates and taxes	167	4
Repair & maintenance		
- Computer	521	-
- Others	693	-
Lease rent	28,084	-
Travelling expenses	4,943	-
Office expenses	10,877	-
Payment to auditors		
- Audit fees	275	441
Legal and professional fee	99,389	-
Miscellaneous expenses	439	-
Total	150,204	445

23. Income tax expenses

(a) Income tax expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current income tax charges	5,882	-
Adjustment for current tax for prior years	-	-
Total current tax expenses	5,882	-
Deferred tax (refer note 5)		
Decrease/ (increase) in deferred tax assets (net)	(676)	-
Total deferred tax expense/ (benefit)	(676)	-
Income tax expense	5,206	-
Income tax expense attributable to :		
Profit from continuing operations	5,206	-
Total	5,206	-

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before income tax expense	19,862	(451)
Tax at India's tax rate of 25.168%	4,999	-
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 income)	207	-
Total	5,206	-

24. Earnings per share

(a) Basic

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit/ (loss) after tax available for equity shareholders	14,439	(451)
Weighted average number of equity shares used to compute basic earnings per share	50,000	50,000
Basic earning/ (loss) per share	28.88	(0.90)

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit/ (loss) after tax available for equity Shareholders	14,439	(451)
Weighted average number of equity shares used to compute diluted earnings per share	50,000	50,000
Diluted earning/ (loss) per share	28.88	(0.90)

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

25. Fair value measurements

i. Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost*	FVTPL	FVTOCI	Amortised Cost*
Financial assets						
Trade receivables	-	-	29,183	-	-	-
Cash and cash equivalents	-	-	99,088	-	-	1,563
Other financial assets	-	-	13,616	-	-	-
Total financial assets	-	-	141,887	-	-	1,563
Financial Liabilities						
Trade payables	-	-	119,280	-	-	607
Other financial liabilities	-	-	7,056	-	-	-
Total financial liabilities	-	-	126,336	-	-	607

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

26. Segment Information:

Description of segments and principal activities

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

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

A. Disaggregated revenue information

i) Revenue from external customers

a) Location

	March 31, 2020	March 31, 2019
India	-	-
Outside India	219,267	-
Total	219,267	-

b) Type of goods or services

	March 31, 2020	March 31, 2019
Software related services	219,267	-
Total revenue from contracts with customers	219,267	-

c) Timing of revenue recognition

	March 31, 2020	March 31, 2019
As a point in time	219,267	-
Over a period of time	-	-
Total revenue from contracts with customers	219,267	-

ii) Segment assets

Total of non-current assets other than deferred tax assets broken down by location of the assets, is shown below:

	March 31, 2020	March 31, 2019
India	7,283	-
Outside India	-	-
Total	7,283	-

iii) Capital expenditure

	March 31, 2020	March 31, 2019
Capital expenditure	7,954	-
Total	7,954	-

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

	March 31, 2020	March 31, 2019
Customer 1	219,267	-
Total	219,267	-

27. Capital management

Risk management

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

28. Financial risk management

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

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

Market risk:

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

A Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The unhedged foreign currency exposure is as follows:

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

	As at March 31, 2020		As at March 31, 2019	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
EURO : INR	(34,924)	(29,100)	-	-
USD : INR	100	76	-	-

(ii) Foreign currency sensitivity on unhedged exposure:

10% increase / decrease in foreign exchange rates

	March 31, 2020	March 31, 2019
Increase by 10% in forex rate	2,902	-
Decrease by 10% in forex rate	(2,902)	-

B Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. For the period under review, the Company does not have any borrowings, therefore there is no interest rate risk.

C Credit risk:

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

D Liquidity risk:

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

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR Hundred, unless otherwise stated)

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, 2020	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade payables	119,280	-	-	119,280
Other financial liabilities	7,056	-	-	7,056
Total non-derivative liabilities	126,336	-	-	126,336

Year Ended March 31, 2019	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade payables	607	-	-	607
Other financial liabilities	-	-	-	-
Total non-derivative liabilities	607	-	-	607

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29. Related party disclosures

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

A. Entities having control over the entity

Motherson Sumi Systems Limited

B. Fellow subsidiaries

Motherson Innovations Company Limited, UK

C. Other related parties

Motherson Auto Limited

Mothersonsumi Infotech and Design Limited

Motherson Air Travel Agencies Limited

Motherson Air Travel Agencies Limited, GmbH

Systematic Conscom Limited

Motherson Invenzen Xlab Private Limited

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

(a) Transactions with related parties

S. No.	Particulars	Fellow subsidiaries		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Sale of services	219,267	-	-	-
2	Purchase of services	-	-	114,749	-
3	Purchase of fixed assets	-	-	4,154	-
4	Lease rent	-	-	28,084	-
5	Reimbursements paid	-	-	57	-

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

S. No.	Particulars	Fellow subsidiaries		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Trade receivables	29,183	-	-	-
2	Trade payables	-	-	117,168	-

(c) Loans & advances to / from related parties

S. No.	Particulars	Fellow subsidiaries		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Security deposits given:				
	Opening balance	-	-	-	-
	Given	-	-	13,616	-
	Refund	-	-	-	-
	Closing balance	-	-	13,616	-

30. Capital and other commitments

There is no capital expenditure contract at the end of the reporting period.

31. Leases

The Company elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for premises. These lease arrangement for premises are for a period upto 11 months. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

As at March 31, 2019, there is no minimum lease payment commitment under non-cancellable operating leases.

As at the transition date April 01, 2019, there is no impacts were recognised in financial position on account of recognition of right of use of assets, lease liabilities and reclassification of existing finance lease assets and liabilities.

Other items included in statement of profit and loss during the year:

	March 31, 2020	March 31, 2019
Short term and low value lease payments	28,084	-
Total	28,084	-

32. Due to micro, small and medium enterprises

The Company has no dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

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

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers; (ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts and consensus estimates from market sources on the expected future demand of its services. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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

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

per Rajeev Sawhney
Partner
Membership No.: 096333

Pankaj Mital
Director
DIN: 00194931

Rajat Jain
Director
DIN: 00658228

Place : New Delhi
Date : July 31, 2020

Place : Noida
Date : July 31, 2020

Place : Noida
Date : July 31, 2020